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THE

PRESENT STATE

OF

England

IN REGARD TO

AGRICULTURE, TRADE, AND FINANCE;

WITH

A COMPARISON OF THE PROSPECTS OF ENGLAND AND FRANCE.

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By JOSEPH LOWE, Esq.

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TO

WILLIAM MANNING, Esq. M.P.

AND A DIRECTOR OF THE BANK OF ENGLAND,

THIS VOLUME,

APPROPRIATED TO OBJECTS INTIMATELY CONNECTED

WITH THOSE OF HIS PUBLIC LIFE,

IS RESPECTFULLY INSCRIBED,

BY

THE AUTHOR.

ROYAL ASIATIC SOCIETY

INTRODUCTION.

No subject can present a higher interest than an inquiry into the state and prospects of the productive industry of England. Whatever has a tendency to correct error, or introduce improvement into the operation of that industry, affects the comfort of so large a population, that no research, bestowed on such a subject, can be accounted too minute, no labour too long.

Fruitful as has been the present age in changes, military and political, there has prevailed an almost equal degree of revolution in the value of money and the productive power of labour and capital, departments in general so tranquil as hardly to attract the notice of the historian. Those of our readers who are of an age to recollect the peace of 1783, cannot have forgotten the general discouragement caused by the relinquishment of our American Colonies, followed as it was by a season of great financial difficulty. They will remember with more satisfaction the revival of our commercial activity in the years preceding the French Revolution, and the discussions whether we were indebted for

the change to the course of circumstances or the conduct of the minister. This was followed by the war with France — a period subversive of all previous calculation in finance, since, after experiencing pecuniary difficulty in the early years of the contest, our resources appeared to expand with onr wants, and continued so long abundant, that we had some difficulty in anticipating the possibility of a recurrence of embarrassment.

That which took place after the close of the war was accounted temporary, and the public, unwilling to connect the idea of distress with results so gratifying in a political view, clung to the expectation that their distress wonld disappear as soon as peace should be firmly established. This hope was confirmed by the revival of our national industry in 1817 and 1818, but the succeeding years dispelled the illusion, and taught us that the evils of transition were not yet at an end.

During the last and present year circumstances have become more favourable, and our lower orders in particular, enjoy a larger share of comfort than they have known for a long period; but the unfortunate coincidence between that comfort and the distress of our agriculturists, joined to the portion of uncertainty always attached to a commerce of export, convey a warning that a season of difficulty must yet elapse, ere our circumstances become thoroughly adapted to our new and more natural state. The whole affords a painful lesson how little either the public or our rulers foresaw the consequences of lavish expenditure, and how few among those who undertook to enlighten them, either in

parliament, or through the medium of the press, had made an acquaintance with historical truths the basis of their conclusions.

To elucidate, by a careful survey of facts and documents, the obscurities of the past, and to offer suggestions which may perhaps have a tendency to lessen existing inequalities, and facilitate our gradual transition to a more safe and steady state of things, is the object of this volume. We shall begin by endeavouring to account for our financial prosperity during the war, and to explain the causes of the reverse that followed the peace. No one has yet attempted to show how far our increase of wealth during the war was real, and how far nominal — a distinction, which, if subversive of the flattering picture with which we gratified our imagination during our long contest, has the consoling accompaniment, that the decrease of our wealth since the peace will be found, by following up a similar reasoning, to be considerably less than is commonly apprehended.

This inquiry will be necessarily connected with researches into the intricate topics of Money and Exchange. How far did the substitution of paper for metallic currency prove an addition to our resources? At what period did that hazardous experiment cease to afford relief, or become productive of loss? And do not the public at present labour under a general misapprehension in regard to the effect of the resumption of cash payments, attributing to the act of 1819, commonly called Mr. Peel's Bill, that fall of prices, that recovery

of the value of money which ought to be traced to a more powerful cause?

Our next topic shall be the state of our Agriculture, and the causes of the calamity that has overtaken this, the most flourishing during the war of all the branches of our industry. Here also, the attentive inquirer will find much miscalculation to correct and misapprehension to remove. In attempting this we shall draw a comparison of the charges attendant on British and Continental agriculture, and venture on the more difficult inquiry how far our produce is likely to continue at a reduced price; also how far such reduction is or is not conducive to national prosperity.

A more cheering theme will be opened to us by the increase of our population, the adequacy of our produce for its support, and the refutation of the discouraging theories circulated on this subject during the war. An intimate connexion evidently prevails between the increase of our numbers and the increase of our national wealth, whether, with some sanguine calculators, we consider the former the cause, or merely the accompaniment and index of the latter.

These and collateral topics will occupy the greater part of our volume: the remainder shall be appropriated to the discussion of propositions for the relief of our suffering classes, founded, partly on the evident tendency of our resources to increase, partly on a plan of aiding individuals to correct the existing disproportion in wages, salaries, and other contracts formed when money was of far less power in the purchase of commodities.

If our outline appear to embrace too great a variety, we may add that our plan has been to give a continued attention to inquiries which have been taken up by others only at intervals, and to aim at conclusions which separate and unconnected discussions can never suggest.

To objects such as these any attachment to party politics would evidently be unsuited. A writer thoroughly impressed with the importance of his subject, and animated by the hope of rendering service to his countrymen, will consider as a secondary object the notice either of men in office or their opponents. While he speaks with commendation of measures, which bear the stamp of good intention or laborious exertion, he will animadvert without reserve on such as are indicative of hasty or imperfect views. It is on this ground, far more than on deficiency of zeal for the general good, that our public men are vulnerable. "In retirement," said an eminent public character, "I became sensible that when in place I had been deficient in almost every thing but diligence."* The functions of our heads of office are often ill distributed: the assistance afforded them in the higher and more difficult departments is apparently very imperfect; and their minds, engaged from day to day in devising expedients to meet a temporary urgency, become less and less accustomed to long continued reflexion on one subject, and to the conclusions for which such reflexion is indispensable. Without an admission of this nature, how can we

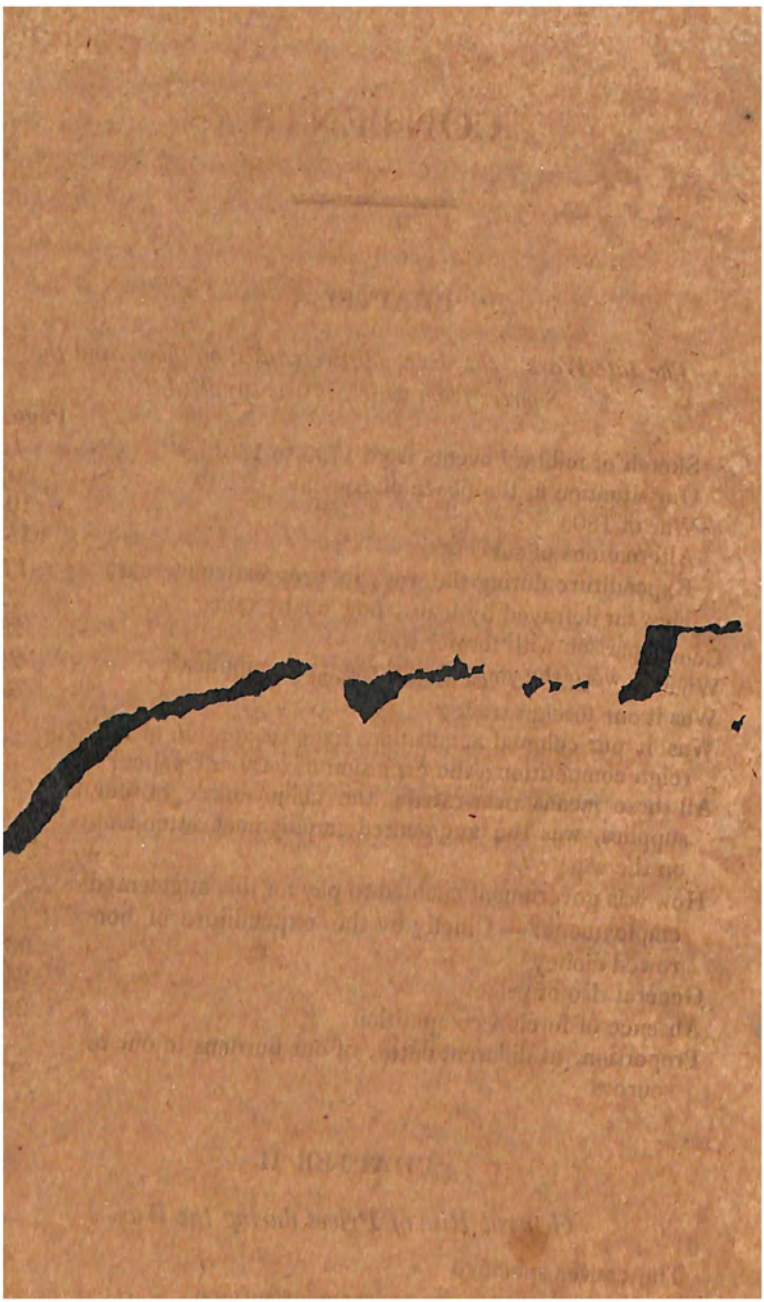
* Huskisson on the Bullion Question, 1809

explain the change in their views during the last session, in regard to taxation and the relief of the agriculturists; or the more serious charge of delaying till the present time the adoption of a decisive course in regard to Ireland; or, finally, their postponing in this country, till the eighth year after the war, the introduction of financial measures adapted to a state of peace?

An equal disposition to impartiality will, it is hoped, be traced when we carry our views abroad and speak either of that nation which hereditary feeling still represents as our rival in Europe, or of that which contests of recent date have brought forward as our opponent on the opposite shore of the Atlantic. A personal residence of several years in France has given the author an occasion to mark the national character, to study the political resources, to calculate the prospective power of our once dreaded neighbour. It has satisfied him that though France is still the greatest of continental states, yet that England may soon dismiss the apprehensions entertained by our forefathers, and rest tranquil in the assurance of the more rapid increase of her population, wealth, and power. The reader who thinks this too confident a conclusion, may be referred for a confirmation of such views to the conduct of our ministers, who, when France was in a manner at the disposal of this country and of allies ready to join in any project of partition, accounted it impolitic either to weaken her frontiers by the retention of fortresses, or to cripple her trade by the imposition of restrictions. We are no longer, therefore, in the situation

of a people in hazard of attack, obliged to seek security in alliances, or to postpone the correction of domestic abuses from a dread of exciting disunion. The most sincere well-wisher to his country may speak with freedom of past transactions, viewing them merely as facts in history, —as events, which though not remote in date, may be boldly scrutinized without any prejudicial effect on our present situation.

The disposition of the public is fortunately in coincidence with this state of things. During the war events followed in too quick succession to admit of deliberate reflexion, or to afford a basis for instructive conclusions :—all was absorbed in the bustle of action, in an expectation of change. At present the public may be compared to those who, retired from active life, pass their [illegible] transactions in review with the advantage of leisure and experience, —a situation far more favourable than the ardour of a contest, for appreciating both the extent of our sacrifices, and the results of which they were productive.



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ERRATA.

Page 157, line 2, for, "is relinquished to a considerable extent," *read*, "were relinquished to an considerable extent."
192, line 10, for "beneficial," *read* "beneficed."
Appendix, page 14, line 10 from the bottom, insert "under," after "labour."

CHAPTER I.

The late Wars; the Expenditure caused by them, and the Sources from which it was supplied.

In appropriating a chapter to the war, our object, as in other parts of the book, is to direct the reader's attention to the effects produced on our finances and national industry: to enlarge on the events of a campaign or on the policy of cabinets, would be, in a great measure, foreign to our purpose. In some respects, however, the two departments of inquiry are connected, the effect of our military operations having been repeatedly felt by our exchequer, and requiring of course frequent notice in the subsequent pages. It seems advisable consequently, that our reasoning should be preceded by a brief sketch of the events of the war; an outline to which reference may be made from the subsequent chapters, whenever we shall have occasion to allude to the connexion between the state of our finances and the aspect of a campaign. Such a narrative, however cursory, will necessarily lead us over beaten ground; but we are not without hopes of introducing, particularly in regard to France, occasional remarks that are not altogether familiar to the public.

War of 1793. — Nothing would have induced Mr. Pitt to take part in the coalition

against France, except a hope that the contest would have been brought to an early conclusion, and himself left at liberty to pursue those measures of finance which had begun to wear so promising an aspect. His apprehension of France could be only of a political nature; a dread of the example of insubordination gaining ground, and of rank and property becoming endangered. In a military sense, France was far from formidable; her army, in 1792*, did not exceed the usual peace establishment of 130,000 men, and its strength was greatly impaired by the emigration of its principal officers, as well as by the general relaxation attendant on a continental peace of thirty years. Her navy having occupied the attention of government during and after the American war, was in a better state than usual; but its efficiency was impaired by the general disorder of the country, and its aspect was certainly far from offensive.

Under these circumstances our government, though in intimate communication with the powers that had taken up arms against France, delayed for some time joining the coalition. The recall of our ambassador from Paris was postponed till the insurrections of autumn 1792, and the subversion of the royal authority; nor did our preparations for war commence till towards the end of the year. This caution on our part, and the impetuosity of the ruling faction in France, caused the declaration of war to proceed in the first instance from Paris, and created a general belief in this country that the French were the aggressors. A speedy termination in favour of the allied powers was promised as well by general appearances as by the early events of

* Jomini sur les grandes Operations Militaires, Vol. V.

the war, the French being soon repulsed from the Dutch frontier, and some time after from the Netherlands, while their intestine divisions rose to a height that threatened the downfall of the republican system. A short time, however, sufficed to show the fallacy of judging from appearances, and of listening to representations so partial as those of the emigrants. The great majority of the nation, without cherishing either personal hostility to the Bourbons or schemes of foreign conquest, were strongly attached to the Revolution. They had long felt the want of a representative assembly, and been wounded by the preference shown to the privileged classes: — without any distinct conception of the checks requisite to good government, they entertained a sanguine hope that the revolution was about to prove a remedy for all their grievances.

Under such circumstances, the resistance to invasion would probably have been equal, whatever had been the result of the intestine divisions of France. Had the Jacobin party been kept under by the Girondists, the strength of the country would still have been called forth; the property of emigrants confiscated; circulation given to the assignats, and military levies enforced on a large scale. It was in the autumn of 1793, and in the early part of 1794, that these potent levers were made to display all their energy. They sent forth armies, which, without being so numerous in the field as was generally imagined, were assured of an ample supply of recruits; an assurance that justified the new plan of rendering a campaign a reiteration of attacks, on the calculation, that, whether successful or not, the country which could call the greatest numbers into the field, would even-

tually triumph. Such, with a few qualifications, were the operations of 1793 and 1794: operations in which the national impetuosity was called into full display; but the command being frequently placed in unskilful hands, the lives of men were exposed with unexampled rashness. The result of continued sacrifices on the one side, and of feeble generalship, of deficient concert, on the other, was that, in the early part of 1795, a total change took place in the aspect of the war. By that time, France had acquired both the Austrian Netherlands and the Dutch provinces, was on the point of concluding peace with Prussia and Spain, and reckoned only Austria and England as her opponents.

From this time forward, we may believe with confidence, that Mr. Pitt deeply regretted that France had been attacked, and the nation driven to exertions so pernicious to its assailants. He saw that revolutionary contagion was no longer to be dreaded, the credulity of the French, their absurd extremes, their repeated changes, their sacrifice of one party to the other, having brought complete discredit on their politics. His objections to peace, very different from those in 1792, were now of a military character:—to negotiate with France would have been to acknowledge inability to resist her; to leave the Netherlands in her hands, would have been to concede that against which we had struggled for a century. He determined, therefore, to continue the war, with the aid of Austria; and the exertions of France might have been equalled, perhaps surpassed, by the two allied governments, had they possessed the knowledge which they afterwards acquired; had England directed her chief resources to continental warfare, and had the Austrians opened their eyes to their errors in

tactics. The numbers of the French were now less overwhelming than in the days of paper credit; but their efficiency was greatly increased, their soldiers had become well disciplined, and a number of intelligent officers had been formed. Their system of attack was continued, the national ardour was kept in full exercise, and to the audacity of the first years of the revolution was added, under the command of such men as Bonaparte, Moreau, Kleber, Hoche, the advantage of scientific combination. It is to superiority of generalship more than to superiority of numbers, that we should attribute the reverses of the Austrians in 1796 and 1797, followed by a peace (Campo Formio) of which the preliminaries were signed when three armies were in march to their capital.

England now stood alone in the conflict, and the state of our finances was far from satisfactory; but our navy had in the course of the year (1797) achieved a double triumph, and the war becoming strictly maritime, our attitude, like that of France in 1794, showed all the advantage possessed by a nation, when combining its resources on its proper element. The confidence thus inspired, and the spirit roused by the extravagant ambition of the French government, enabled Mr. Pitt to meet our pecuniary difficulties, by a recourse to the plan which we shall develope presently, that of raising supplies within the year; a plan to which, much more than to the substitution of paper for coin, was owing the surprizing increase that took place in our financial receipts.

The year 1798 will long be remembered by those who distinguish particular epochs in a great contest, as one of favourable commerce, of improved exchanges, of an abundant harvest, and of relief

from the dread of invasion. The French, discouraged by our naval array, and by the failure of their expedition against Ireland, made a tacit acknowledgement of the hopelessness of an attack on England, by directing their disposable force to Egypt. The absence of this army, and our victory at Aboukir, revived the hopes of the Austrians, who regarded the existing peace as a truce, and who have throughout shown themselves so prompt to second our efforts, and to take up arms against France.

We come now to what the French term the third coalition, that is, the third time that the allied powers commenced operations by land in the hope of either changing the French government, or recovering a portion of lost territory. In adverting to these remarkable æras in the contest, it is fit to recollect that the aggressions were not on the part of France, and that, with the exception of 1792, England was the author and main-spring of every successive coalition. Had this been openly avowed, it is probable, that in these days of alarm the majority of the public would have approved of an offensive system of war; but it is the well-known rule of cabinets, and, of course, of their supporters, whether in parliament or connected with the press, to avoid such admissions, and to throw, as much as possible, the odium of attack on the enemy. At present, such reserve is needless; the question is to be viewed historically, and the point is merely, whether there existed, on the ground of justice and policy, sufficient reasons for calling the continent to arms, and for encountering the hazards of a conflict by land? The dread of revolutionary infection had by this time disappeared; the French themselves had suffered cruelly from

their experiments in government, having felt all the instability, all the division and party violence attached to the republican form. But while the reflecting part of our countrymen had dismissed all apprehension of political contagion, they had, in a military view, urgent motives for hazarding an appeal to arms; they entertained the hope, that, with the co-operation of Austria and Russia, we should expel the French from Italy and recover the Netherlands.

These hopes, whether on the whole justified or not, received confirmation from the events of the first part of the campaign of 1799; the Austrians took the field with augmented numbers and an improved system; the repulse of the French in every direction, in Germany, as in Italy, proved the danger of neglecting their military establishment, and of the practice which had begun to show itself for the first time since the revolution, of appointing generals by favour. But in the autumn of the year new levies took the field, and abler chiefs commanded; the war changed its aspect; a few months produced the defection of the fickle government of Russia from the coalition, and consolidated the executive power of France in the hands of Bonaparte. The campaign of 1800, though opened by the Austrians with confidence, soon showed their inability to contend with their antagonists, and on the conclusion of the second continental peace, (Luneville,) England was once more left alone in the conflict.

Few periods of the war presented a more gloomy combination of circumstances than the early part of 1801.—Austria humbled, Russia hostile, Denmark and Sweden following her example, and reviving the menace of the armed neutrality. At home a double failure of harvest had produced a scarcity

and rise of prices, which, in some parts of the country, resembled the privations of our ancestors in the latter years of Elizabeth, or the sufferings of France after the dreadful winter of 1709. On the other hand, the value of our paper currency was but slightly affected, our navy possessed the undisputed command of the sea, while our army had improved equally in strength and numbers: hence, the success of our attack on Copenhagen, and our brilliant exploits in Egypt. Still the policy of peace was apparent; our financial resources had been stretched to the utmost; there remained no definite object of warfare, and no co-operation could be expected from the continent. These considerations were felt by our leading ministers; and, in concurrence with an apprehended division in the cabinet, or a sense that the same ministry could not suitably negotiate with a government so long the object of its invective, led to that retirement of Mr. Pitt from office, which many persons still good-naturedly ascribe to his difference with the king on the Catholic question.

Thus ended the first great contest of the age, a contest of which the most remarkable feature was, its placing the two leading powers successively in opposition to a confederacy, and baffling, in the case of each, the confident calculation of politicians. France, they presumed, in 1793, must sink under the coalition; England, when left alone, in 1797, had, in their view, no alternative but a speedy peace. They were more correct in asserting that no war had afforded an example of such sacrifices; of men on the part of France, of money on the part of England. The losses of each seemed of a nature to produce exhaustion, yet each continued capable of prolonging or renewing the conflict.

Each had obtained brilliant success, and added largely to its territorial possessions; but the acquisitions of France, at least in the Netherlands, were more compact, and more calculated to add strength to the state, than our dazzling but insecure conquests in the East and West Indies.

Our Situation at the Peace of Amiens.—What, it may be asked, were the chief differences, in our condition at the peace of 1802 and that of 1814? The financial and commercial evils that have since pressed so heavily on us, existed in 1802, but in a very mitigated form. The interest of our public debt, (18,000,000*l.*) was great, but not enormous; our total expenditure, had peace been confirmed, might not perhaps have exceeded 30,000,000*l.* a year. The value of our currency, though shaken at a particular period, (1800 and 1801,) had been reinstated without much injury to the public; and our customers on the opposite shore of the Atlantic, though affected by the transition of Europe from war to peace, were by no means so disabled from paying for our exports as at the peace of 1814. Still our agriculturists felt the sudden change from high to low prices; our merchants were embarrassed by the surrender of the conquered colonies, and had the reduction of our military establishment been permanent, we should have experienced, in 1802, no small share of the embarrassment of late years: it would have been similar at least to that so faithfully described by Sir W. Temple, as affecting the productive industry of Holland, after the peace of 1648.

These complaints, however, had hardly assumed consistency, when the public was roused to new alarms: in France, a ruler whom no power could

satisfy; in England, a ministry who followed, instead of leading the public voice, were respectively the authors of an abrupt renewal of war. Seldom has an appeal to arms been made with less of a direct motive or definite object: Malta was too insignificant to form a ground of war; the real cause was of a general nature, and to be sought in the encroachments of Bonaparte during the interval of peace, in the resentment roused by his aggression on Switzerland, and the obstacles opposed to our trade with France. Our ministers could not consider the moment favourable for attempting to recover the independence of the continent; they acted in concert with none of the great powers, and the experience of the past was altogether adverse to hopes founded on a coalition. They knew, however, that our financial resources were large, that the chances of a naval contest were in our favour, and that we should in any event prevent the increase of the enemy's marine.

War of 1803.—During two years the contest was strictly maritime, and no part of our resources being directed to continental subsidies, our paper currency maintained its credit. The public attention was closely fixed on the project or pretended project of invasion. But in 1805, the growing discontent of the Russian cabinet with Bonaparte, and the well-known hostility of Austria, induced our government to form a new coalition. Our allies began the war with sanguine hopes, but found it vain to attack a great military state, conducted by a single head. The result would have been alarming even to this country, had it not, by a remarkable counterpoise of fortune, been coincident with a

naval victory which fairly put at rest the question of invasion.

It was under these circumstances of alternate disappointment and success, that Mr. Fox began at Paris the negociation of 1806, a measure by no means sanctioned by the majority of our countrymen. The offers of Bonaparte, towards the close of the conferences, would perhaps have been satisfactory on the score of territorial cession, had they not, when viewed in concurrence with his other projects, appeared to our government little else than a link in the chain of aggression; an expedient to procure not a peace, but a truce.

War was accordingly renewed, and by land, victory continued faithful to France: the events of the campaigns of 1806 and 1807, were subversive of the remaining independence of Germany, and by giving France the co-operation of Russia, seemed to leave her without a rival on the continent. Under these circumstances, our only safety lay in our naval superiority, and the war was proceeding without any definite prospect or favourble opening, when Bonaparte committed his first great political error. Hitherto, in his successes, he had shown more moderation, at least apparent moderation, than might have been expected from one so little advanced in years, and so confident in his general calculations. He now, however, forgot the dictates of caution, turned his aggression to an unoffending quarter, and by his manner of inveigling the royal family of Spain, excited not only the indignation of foreigners, but general surprise and dissatisfaction among the French, who were heartily sick of war, and coveted no possessions beyond the Pyrenees or the Alps. It is a truth, by no means sufficiently understood in this country, that

the French people at no time participated in the restless ambition of their rulers: their desires in regard to territory were limited to the Belgic provinces, and these they desired not on political grounds, not from a wish to overawe Holland or threaten Germany, but from considerations chiefly commercial, from similarity of language and habits, vicinity of position, and the non-existence of physical barriers. So far from being animated by that eagerness for war which so many on our side of the Channel ascribe to them, the French regarded themselves as the greatest sufferers by the sanguinary contest, and were taught to ascribe its prolongation to the ambitious views of our cabinet.

The war in Spain, varied as was its success during several years, proved the first great scene on which the hitherto victorious armies of France were effectually resisted. That power of combination, that skill in generalship, which, in the present age, has been so little conspicuous in the military opponents of France, which, in the long struggle of the Austrians, was remarked in only two campaigns, (1795 and 1799,) was here called into action, and directed against the enemy both the discipline of the British, and the national antipathy of the Spaniards. This war may be termed the first in which Bonaparte did not, on the appearance of serious resistance, forsake his capital, and bring the struggle to a decisive issue. In 1810, the humiliation of Austria and Prussia left him at liberty to recross the Pyrenees, but to the surprise of France, as of the continent in general, he allowed his army to remain long in an indecisive position before our lines at Torres Vedras, and eventually to retreat.

This signal repulse was followed by symptoms of resistance in a new quarter. Russia, alarmed for her independence, and taught, by the success of our Portuguese campaign, the means of baffling by defensive operations, an enemy hitherto accounted irresistible, no longer concealed her hostility to France. Bonaparte passed a year in forming his gigantic plan of invasion: it failed, as is well known, less from direct opposition than from physical causes; and that over-confidence on his part, which we trace on so many occasions, and at such different periods of his career—at Arcole, at Acre, at Aspern, and finally, at Waterloo.

The loss of the Russian campaign and of the flower of the army, however disastrous in a military sense, did not give so great a shock as the public in England anticipated to the power of Bonaparte in the interior of France. The nation was in affliction at the extent of the bloodshed; but this feeling was overborne, at least in the middle classes, by the dread of a counter-revolution, and the return of the old abuses—the privileges of the *noblesse*, the ascendancy of the clergy. During 1813, the general wish was, not for a change of dynasty, but for a change of system under the existing ruler. No insurrection took place, no resistance was made, or even attempted, to the enormous levies of men and money, during that year; nor was it till renewed disasters, and the loss of all Germany, that the public began to contemplate the possibility of the return of the Bourbons. Even in 1814, the operations continued without any rising in favour of that family, or any defection of the military from their leader, till after the surrender of Paris, the possession of which ha., through-

out the whole of the French revolution, enabled one party to give law to another.

This unconsciousness of the real character of Bonaparte, this credulity in hoping a pacific system from one so long accustomed to war and usurpation, must appear not a little singular to the untravelled part of our countrymen. But those among them who visited France in 1814, had ample opportunity of observing that the name of the late ruler was seldom mentioned with reprobation, and that when, from the decided royalists, they happened to hear language to that effect, it was unaccompanied by any knowledge of the secret springs of his policy, or, indeed, by any attempt to develope his character.

This was, in fact, a task too complicated for the reasoning habits of our southern neighbours: they knew and lamented his propensity to war; but his diplomatic art, his Machiavelian policy, surpassed their analysing powers, unaided as they were by the light of a free press. Nor was it until his sudden return from Elba, when the peace so long desired and so recently obtained, was wrested from them, that the French, (we speak here not of the military nor of the party leaders, but of the bulk of the nation,) gave a loose to resentment, and connected with his name that charge of faithlessness, that suspicion of criminality which we, during so many years, had accounted inseparable from it.

The reverses of the French arms occurred most opportunely for our finances, as shall be shown when we treat of the depreciation of our circulating medium; but before proceeding to that, the proper object of our research, we shall bestow a few sentences on the eventful character of the military history of the period.

Alternations of success. — No contest was ever marked by greater variety of fortune, or more chequered by vicissitudes, the effect of which was, at one time, to check sanguine expectation, at another, to prevent despair. In 1805, our hopes were raised by the co-operation of the great continental powers; these hopes were blasted at Ulm and Austerlitz, but despondency was prevented by our victory at Trafalgar. Next year, the fatal day of Jena, and the conquest, rapid beyond example, of the Prussian dominions, would have excited great alarm, had not our courage been sustained by a successful resistance at Eylau, and by a confident estimate of the power of Russia. These favourable expectations were shaken by the events of the campaign, the treaty of Tilsit, and more than all, by the increasing connection and community of purpose between the French and Russian cabinets. The close of 1807 was consequently a period of gloom, for the capture of the Danish navy, and the issuing of our orders in council, could afford satisfaction to those only who were incapable of appreciating the odium inspired by the one, and the disastrous effects likely to result from the other.

A more substantial ground of hope was afforded in the ensuing year by the attack on Spain, the general resistance which it provoked, the still more general hatred which it roused. The repulse of the French from the southern and central parts of Spain, and the success of our troops at Vimeira, the first general action on land that we had fought during the war, confirmed these flattering impressions; but they were unfortunately clouded by the repeated defeats of the Spaniards in the winter, and the retreat of our army to Corunna. Next year opened with the arming of Austria, and with some

successful operations in the peninsula, but the battles of Eckmuhl and Wagram, the failure of our Antwerp expedition, the second retreat of our army from Spain, cast a gloom over the aspect of affairs, which continued during the whole of 1810. At this time the contest presented no expectation of a favourable issue; the Spaniards were inefficient and divided; the northern courts, if not unfriendly, were unable to hazard co-operation with us; and our bank paper, after withstanding the continental drains of 1805, 1806, 1807, began to yield under the triple pressure of a subsidy to Spain, purchases of corn in the north of Europe, and the suspension of the American trade. From invasion we were secured by our fleet, but we dreaded to make peace, lest an interval, turned assiduously to account by our artful enemy, might shake even this last stay of our independence. On other grounds also, peace seemed unadvisable, for, by this time, Bonaparte had incorporated a farther part of Germany with France, and shown himself equally blind to the lesson given by the resistance of Spain, and to the hazard of alarming Russia.

It was under these disquieting circumstances that we passed the latter months of 1810 and the beginning of 1811. The necessity of abandoning the peninsula was declared by many, and silently anticipated by more, when the scene was unexpectedly changed by the retreat of the French army from Portugal, and by conflicts, which, if not altogether decisive in our favour, were indicative of the great improvement of our army. An intimation of a growing hostility on the part of Russia to France, now raised hopes of a higher kind—hopes which, after an interval, were confirmed by the

memorable campaign of 1812. Still the period of vicissitude was not passed; the expectation excited by the advance of the Russians, and the zeal of their Prussian allies, were disappointed at Lutzen, Bautzen, and Hamburgh; nor were they placed on a firm basis until the junction of Austria to the alliance, and until the inefficiency of the French levies was shown in their actions with the Prussians in Silesia. Even after the conquest of Germany and invasion of France, there occurred an interval of suspended hope: the imprudence of Blucher, and the prompt decision of Bonaparte, led to a check and partial retreat, which, to the public, assumed a serious aspect, when viewed in connexion with a negotiation at Chatillon; but the apprehension inspired by that real or ostensible negotiation, was soon dispelled by the evident superiority of the allies, and by the result of a movement, remarkable as indicative of the over-confident calculation of Buonaparte even under disaster; we mean his march to gain the rear, and cut off the retreat of his enemies—a manœuvre that might have been followed by final success if at the head of such armies as he commanded at Ulm and Jena, but which, with the feeble means at his disposal in 1814, served only to embolden his opponents, and accelerate the loss of his capital.

Our Expenditure during the War.—After this brief sketch of events, we proceed to the proper object of our enquiry, the expence incurred by the war, the resources by which it was supported, and the cause of our financial embarrassments, since

the peace. In this we venture on difficult ground, and attempt a question of more than usual complexity. War, accounted in former days a season of embarrassment and poverty, assumed in the present age the appearance of a period of prosperity. It closed, indeed, with a great addition to our permanent burdens, but with an increase of national income, which seemed fully to counterbalance it, and to confine our loss to that of our brave countrymen who had fallen in the struggle. Peace, we thought, was about to bring a consolidation of the advantages earned in battle and sanctioned by treaty, but the result has been widely different: every succeeding year has discovered some financial difficulty, some fresh defalcation in our national resources. The causes have as yet been by no means satisfactorily explained, either in or out of parliament, and the contradiction between what was expected, and what has actually taken place, implies the prevalence of much popular error, as well as the necessity of an attentive and anxiously-balanced inquiry.

This inquiry we may hope to divest, in some measure, of its complexity, by proceeding step by step, and dividing our subject into separate heads. The first point is to form a distinct idea of our war expences, as well the annual charge as the aggregate for the whole contest; a calculation as yet familiar to few persons on account of the magnitude of the sums, the detached manner in which they are generally brought before the public, and the complexity of our finance accounts, which have hitherto presented, in the sinking fund, an apparent surplus, and, under the head of supply, an apparent deficiency.

In the early years of this memorable contest, ministers were almost as little aware as the public

of the extent to which the national contributions could be carried, and the increase of our expenditure was, consequently, gradual. Taking the total money raised by loans and taxes, but deducting from it 18,000,000*l.* annually, as the probable expenditure of Great Britain and Ireland, had peace been preserved, we find the following result:—

Sums annually raised for the war of 1793.

1793. -	£ 4,000,000	1798. -	£29,000,000
1794. -	10,000,000	1799. -	36,000,000
1795. -	18,000,000	1800. -	36,000,000
1796. -	26,000,000	1801. -	45,000,000
1797. -	35,000,000	1802. -	44,000,000

These sums are properly the amount raised, not the amount expended in each year: still they convey a fair idea of the annual cost of the war. Their great increase, in the latter years, is owing to several causes; the augmentation of our establishments, the depreciation of money, and consequent rise of pay, stores, &c.; and, finally, to the accumulation of interest on the expenditure of all the preceding years.

Such was the war of 1793, a war exhibiting an average expenditure of 27,000,000*l.*, which, though nearly double that of any preceding contest, was destined to be soon surpassed, and in a very great degree.

Sums raised by loans and taxes for the war of 1803, *after deducting the portion appropriated to Ireland, and allowing* 22,000,000*l. as the total of our probable expenditure, had peace been preserved in* 1793.

1803. - - -	£29,000,000
1804. - - -	40,000,000
1805. - - - -	52,000,000

1806. - - - -	£50,000,000
1807. - - -	56,000,000
1808. - - - - -	57,000,000
1809. (War in Spain) - - -	61,000,000
1810. (Ditto) - - -	62,000,000
1811. (Ditto) - - -	66,000,000
1812. (War in Spain and Russia) -	80,000,000
1813. (War in Spain and Germany) -	98,000,000
1814. (War on the French territory) -	89,000,000
1815. - - - -	86,000,000

Here also the increase was progressive; so necessary was it even in our day of enthusiasm, to wait until the machine of circulation became adapted to this new impulse. At last, our expenditure reached a sum unexampled in the history of any country, ancient or modern. It is fit, however, to keep in mind two very material qualifications; first, that the sums in the latter years are greatly swelled by the accumulation of interest on the previous expenditure; next, that after 1810, a large sum, fully 20 per cent. on our foreign disburse, is to be put to the account of the depreciation of our bank paper. With these deductions, the expence of the unparalleled year of 1813 may be stated at 70,000,000*l.*, and the other years reduced in a corresponding proportion. But after every subtraction, the amount of our expenditure was surprising: for the whole contest it may be thus stated.

Total money raised in Great Britain by loans and taxes, during the 23 years that elapsed, between the beginning of 1793 and that of 1816; (see Appendix) about - - - -	1,564,000,000
Deduct for the amount of our peace establishment and charges unconnected with the war, a sum, which, from the in-	

crease of our population and the necessity of enforcing the collection of the revenue in Ireland, we reckon at somewhat more than the average expenditure of Great Britain and Ireland, previous to 1793; making (see Appendix) an amount of about - -	£464,000,000
Remainder, constituting the charge of the war - - -	£1,100,000,000

The next question is, in what manner did government find it practicable to raise these unexampled sums? Loans, the great resource in former wars, were resorted to during the early years of the contest; thus—

Money raised by loans:

1794. -	£11,000,000	1796. -	£25,500,000
1795. -	18,000,000	1797. -	32,500,000

The last of these sums being great beyond example in the history of our loans, had the effect of lowering stocks in an alarming degree, reducing the 3 per cents. in 1797, below 48.* Mr. Pitt now felt the necessity of altering his plan of finance, and was led, as well by his characteristic confidence, as by the general increase of individual income attendant on the war, to adopt the very bold expedient of war taxes, or, as it was termed, raising a large proportion of the supplies within the year. The success of this plan forms the grand feature of the financial history of our age: attempted at first on a limited scale, it was carried, by the imposition of the income tax, to a large amount, and before the close of the war attained a magnitude almost incredible.

* Dr. Hamilton on the National Debt, p. 252.

Supplies raised within the year, being the net produce of our taxes, after deducting 18,000,000*l.* *as the computed average of a peace establishment, and excluding all loans.*

War of 1793.—During the first four years the war taxes were inconsiderable, and in 1797, by the increase of the assessed taxes, they were carried to only - £ 3,000,000

But in 1798. by the income tax to -	12,000,000
1799. - - -	17,000,000
1800. - - -	16,000,000
1801. - - -	17,000,000
1802. - - -	19,000,000

War of 1803.—The produce of our annual supplies computed as above, with the exclusion of loans, but after deduction of a larger sum (22,000,000*l.*) as the probable peace establishment:

1803. -	16,000,000	1810. -	45,000,000
1804. -	23,000,000	1811. -	43,000,000
1805. -	28,000,000	1812. -	41,000,000
1806. -	31,000,000	1813. -	45,000,000
1807. -	36,000,000	1814. -	48,000,000
1808. -	40,000,000	1815. -	48,000,000
1809. -	41,000,000		

Respective proportion of loans and taxes.

Of the total sum of 1,100,000,000*l.* expended during the war, the amount added to our permanent debt was 460,000,000*l.*, so that the aggregate of the supplies raised within the year, amounted for the whole war to 640,000,000*l.*, a surprising sum to be obtained by a mode of supply almost unknown in foreign countries, and carried in former wars to a very limited extent among ourselves.

The financial history of the war may be divided into three periods; 1st, the four years previous to 1797, in which our treasury was conducted as in

former wars, without any innovation in regard to war taxes or paper money; 2d, the interval from 1797 to 1805, in which we had both war taxes and non-convertible paper, but without greatly depreciating the one, or carrying the other to an extreme; 3d, the period from 1805 to 1815, in which the amount of the supplies raised within the year became enormous, and the depreciation of our paper, particularly after 1810, formed a very serious addition to our difficulties.

We have thus exhibited a statement of our expenditure, which, though brief, is, we trust, perspicuous, all complexities of redeemed and unredeemed stock, all distinctions of funded and unfunded debt, being excluded from our calculation, and the charge of the war considered only under the two great divisions of debt contracted and expenditure defrayed in the current year. Compared with these sums, how insignificant were the additions made to our public burdens by former wars. That of 1689, under King William, cost annually between 3 and 4,000,000*l.*, and added in all 20,000,000*l.* to the national debt. Under Queen Anne, the flattering hopes inspired by repeated victories, led to a longer contest and larger outlay, carrying our annual expenditure to 5 or 6,000,000*l.*; the addition to the public debt during the war to somewhat more than 30,000,000*l.* In the less successful contest of 1740 our expenditure differed from year to year; the addition to our public debt amounted to nearly 30,000,000*l.* In that of 1756, the augmented resources of the country, and the bold system of Lord Chatham, raised our annual expenditure to an average of 16,000,000*l.*, the addition to our debt to fully 60,000,000*l.* The unfortunate contest with our colonies, and the war

that ensued after 1778 with European powers, was attended with an average charge of 17,000,000*l.*, and an addition to our debt of somewhat more than 100,000,000*l.* The total of public debt incurred in the course of a century was thus 240,000,000*l.*, a sum which, however large, formed only the half of that which we have contracted in the present age.

The Sources of our Financial Supplies.—The next and by far the most important step in the progress of our inquiry is, by what means and from what sources the nation was enabled to meet such unprecedented demands. In the opinion of many, the means were derived from the extension, or as it is commonly termed, our monopoly of foreign commerce. "The French revolution," said the late Arthur Young*, "burst forth like a volcano, "and laid the industry, manufactures, and com- "merce of France, and eventually those of the "whole continent in the dust; Britain became the "emporium of the world, and such a scene of wealth "and prosperity filled every eye in this happy coun- "try, as the sun before had never shone upon." The belief of such a monopoly has, on the part of a merely practical man, or in the pages of a pamphleteer, nothing surprizing, but we were little prepared to find it in a publication of large circulation and acknowledged ability.† The fact is, that the amount of our foreign commerce was not greater, nor so great at any time during the war as since the peace; a point which may at once be ascertained by a reference to our custom-house returns of exports and imports. These documents, however,

* Inquiry into the Value of Money in England, 1812; p. 77.
† Edinburgh Review, No. lxv. p. 170.

unfit to represent the balance of mercantile payments from one country to another, form good authorities for ascertaining the comparative extent of our business from year to year. We shall give the result of our Custom-house return of exports in two modes; first, by the official value, which means (see Appendix,) the value computed by the weight or dimensions of merchandize, and at a uniform rate of price, without reference to the fluctuations of the market.

Total exports from Great Britain computed according to the fixed official standard of the Custom-house.

Average of the nine years of the first war, viz. from the beginning of 1793 to that of 1802 - - -	£30,760,000
Average of ten years of the second war, from 1803 to 1812, both inclusive, leaving out 1813, the records of which were destroyed by fire, and considering 1802 as a year of peace - -	42,145,000

But if we compare this with the seven years of peace, of which the returns have been made to parliament, we shall find a considerable increase since 1814.

Average of the total exports from Great Britain, computed officially for the seven years, from 1814 to 1820, both inclusive - - -	£53,922,000

These returns being made on a uniform plan, and calculated by the weight or dimensions of the package, are conclusive as to the *quantity* of our exports: but it may be said, that in other respects, they are less satisfactory; and that although the bulk exported is at present greater, the value

is less, in consequence of the general reduction of prices. That prices were much higher during the war, particularly in the latter years, admits of no doubt, but in whatever way the calculation be made, the advantage is on the side of peace, thus: —

Exports from Great Britain during the war, computed not by the official or Custom-house valuation, but by the declaration of the exporting merchants; or, when there was no declaration, by a suitable addition to the official value.

Average of the ten years from 1791 to 1801, both inclusive - -	£48,890,000
Average of the ten years from 1801 to 1810 - - - -	52,847,000

In peace, our exports afford an average considerably larger, after making, (see Appendix,) an allowance for the reduced value of foreign and colonial goods.

Average of our annual exports from 1814 to 1820, both inclusive, valued by the declaration of the exporting merchants, or by a suitable addition to the official value - - -	£62,330,428

In both points of view, therefore, our foreign commerce is found to have been less considerable in war than in peace; it is equally easy to show, that its profits were wholly inadequate to the support of any large addition to the public expenditure. Mr. Pitt, on proposing the income-tax in 1798, computed our foreign commerce to yield to the various persons, merchants and others, engaged in it, an annual income of 12,000,000*l.*, a sum, probably not underrated at the time, but which, for the sake of giving those who differ from us the full benefit of argument, ought, we shall

suppose, to have been doubled and taken during the war, at an annual amount of 24,000,000*l.* This, be it observed, is not saving but income, out of which are to be supported all the persons engaged in the business: and if we compute the clear saving in a proportion, which, in regard to most other branches of industry, would be more than sufficiently liberal, the result will be a yearly gain of three millions sterling. What will be thought of this sum as a counterpoise to our war expenditure, or as a confirmation of the notions of those sapient calculators who still imagine the surplus of our exports over our imports, as stated in our Custom-house returns, to represent the amount of money brought annually into the country?

Of all the branches of our foreign commerce, the greatest extension took place in that with the United States: but that outlet was closed, several years before the end of the war; and, however productive of work to our manufacturers, has never been considered a fund for pecuniary aid.

Our other sources of imagined supply were the occupation of new colonies, the suspension of the navigation of hostile States, and a supposed reduction of their rival manufactures. Of the conquered colonies, the principal were Trinidad, Demerara, Essequebo, Tobago, each little advanced in cultivation, each requiring a large transfer of capital from this country, and each yielding little present revenue. Similar disadvantages characterised, though, in a less degree, St. Lucia, Guadaloupe, Martinique. As to the East Indies, our acquisitions, vast in point of territory, and considerable in regard to internal revenue, are, as is well known, of very secondary importance in respect to

commerce, though, on the continent of Europe, there prevails an opinion that India is the grand source of our national wealth.

We come next to a very plausible argument, the benefit supposed to arise to us from the suspension that took place during the war of the navigation of France, Holland, and the other States dependent on France. The fact doubtless was, that the flag of these countries could not appear on the ocean, because they had not men of war to protect their convoys; but the transfer of navigation was made less to British vessels than to neutrals, Americans, Danes, Swedes, Prussians, and to Dutch shipping, bearing the flag of the petty ports in the north-west of Germany. Lastly, in regard to manufactures, those of France have undergone no reduction since the Revolution, and much less fluctuation than is commonly supposed: during the last thirty years they have been on the same scale of gradual increase as before; that is, they have all along kept pace with the wants of a country, increasing progressively, though not quickly, in population.

Compelled to quit their favourite ground of foreign commerce, to what do these calculators resort for the purpose of explaining our prosperity during the war? Government loans and contracts, however profitable in vulgar estimate, are obviously out of the question as a source of national supply. The command of money, given by the adoption of a paper currency, is a theme confidently urged, to use a parliamentary phrase, both "in and out of doors;" but enough, we trust, will be advanced in a succeeding chapter to show that the extent of supply, and even of accommodation derived from that source, has been greatly over-rated. We

dwell, therefore, no longer on these delusive suppositions, but proceed to what appears to us the true solution of this financial enigma, seeking it in the remarkable increase not of our transactions with foreign countries, but of our productive industry at home.

General increase of employment in war.—Those of our readers who are old enough to recollect the interval of peace from 1783 to 1793, will not have forgotten, that though by no means an unprosperous season, it was marked by the symptoms common in an æra of tranquillity,—complaints of overstock in the genteel professions, and of inadequate payment in almost all of a humbler description. In a season of peace, salaries or wages are adapted with scrupulous nicety to the sum necessary for personal support, and, except in the case of the inheritors of patrimony, the portion of income, disposable for purposes of indulgence, is far from large. Such has long been the case in France, and most countries of the continent; such, at various intervals of the last century, was the case in our own—a state by no means unsound or likely to engender future embarrassment, but leading by very slow degrees to the attainment of professional rank, or the acquisition of property. This tranquil condition, this medium between activity and stagnation, was entirely altered by the war; the army, the navy, the public offices of government opened a career to numbers of every class, and by absorbing a very large proportion of the candidates for employment, created a corresponding briskness in agriculture, trade, and professions; increasing the wages of the lower, and the salaries of the higher ranks.

Capitalists also, a class retired for the most part from active pursuits, partook of the general impulse; the pecuniary demands of government were large, and the rate of interest experienced a general and permanent rise. Occupation was thus afforded to individuals of every age and of almost every degree of capacity; many, who from deficient activity or mediocrity of parts, would, in a state of peace, have necessarily remained unemployed, were brought by the war into situations attended with income; some in the public service, others in private employment, but all in consequence of the extra demand created by government.

Consequent increase of revenue. — All these changes, in particular the increased call for personal labour, had a powerful tendency to augment the relative population of towns, as well by promoting marriage as by drawing to them an extra share of the country population. Now what is the effect of an increase of town population on the productive powers, or, in other words, on the taxable income of a country? To form a due estimate of this, we must point the reader's attention to the passages in subsequent chapters, where, in treating of the comparative revenue of France and England, we contrast the dexterity and dispatch of towns with the slow, inefficient labour of the country. A transfer of residence from country to town, leads to augmented ability in the individual, to the increase of the quantity, the amelioration of the quality, of his work; it raises his wages, and, by enabling him to live better, extends the consumption of articles productive to the exchequer. To show the progressive augmentation of such con-

sumption during the war, we subjoin a table of excise duties, the operation of which affects, as is well known, a great variety of articles, including as well the wine of the higher orders, as the malt liquor, the spirits, the tobacco consumed by their humbler countrymen.

Revenue arising from the excise during the following years of war, being the gross income, before deducting the charges of collection.

1805.	£23,194,000
1806.	24,081,000
1807.	24,681,000
1808.	25,593,000
1809. (Orders in Council)	23,471,000
1810.	25,796,000
1811.	26,078,000
1812. (War with America)	23,532,000
1813.	25,272,000
1814.	26,471,000
1815.	27,207,000

This progressive increase was owing partly to higher wages, partly to augmented population. Of the magnitude of the amount paid by the lower orders, and the consequent increase of revenue attendant on increase of wages, whether in war or peace, some idea may be formed from the following table.

Abstract of excise and custom duties in 1820, *affecting the consumption of the labouring classes.*

Malt	£5,000,000
Beer	2,500,000
British spirits	3,000,000
Salt	1,500,000
Tobacco and Snuff	3,000,000
Soap	900,000

Leather - - - -	£600,000
Candles - - - -	300,000
Tea - - - -	3,000,000
Hemp - - - -	200,000
	20,000,000
To which may be added, Timber -	1,000,000
Coals carried coastwise nearly - -	1,000,000
Total	£22,000,000

These taxes, blending themselves with the price of the articles, escaped in a great measure the observation of the consumer, or were overlooked in the general rise of wages. In like manner the increase of stamps, heavy as it became, was accounted a secondary object after the great augmentation of price obtained, as the war proceeded, by the venders of property: the assessed taxes and poor-rate being undisguised burdens, excited more animadversion, but they were submitted to as well from a conviction of their necessity, as from the general ardour in the contest with France, and her dreaded ruler.

We may thus safely take for granted that increase of employment, whether arising from war or other causes, confers increased ability to pay taxes. The next point is, to explain the sources of this extended activity, the origin of the funds that gave it an impulse. These funds arose chiefly from loans; which, though very different in different years, averaged, as already mentioned, the large annual sum of 20,000,000*l.* This bold use of our credit, this free draught on our future resources, was almost all expended, directly or indirectly, in the extension of our domestic industry, and gave so great a stimulus to it, so large an addition to the income of individuals, that we need, we

believe, seek no farther for the ability to meet the unexampled demands, in the shape of war taxes, made by government after 1798, and still more after 1805. Of these taxes, also, the product was distributed over the country; for of the 47,000,000*l.* sterling, forming the average of our war expenditure during the twenty-three years, or rather of the 67,000,000*l.* forming the average of our total expenditure, the whole, with trifling exceptions, was circulated at home.

In what particular mode, it may be asked, did this annual expenditure chiefly take place? In recruiting, clothing, and victualling our militia, army, and navy; in the purchase of stores, the building of ships of war, the repair of fortifications; in contracts, pay, salaries, pensions. Even in that which seemed strictly foreign expenditure, our subsidies to the continent, and the maintenance of our garrisons abroad, the remittances took place less in money than in articles of British manufacture.

This expenditure, as far as it was derived from money borrowed, or as far as it gave a stimulus to productive industry, may be termed a premium given to the existing generation at the charge of posterity: it may be compared to a stream, which, though proceeding from an unnatural and temporary source, diffused a fertility approaching to luxuriance, so long as it continued to flow. To the monied man the war raised the rate of interest; to the lower orders, the rate of wages; to the manufacturer, the merchant, and, in particular, to the farmer, it raised the profits of stock. Several departments of business, such as our fisheries, our trade with the continent of Europe, and that with

our West India colonies, were exposed to heavy losses, and the whole body of fixed annuitants felt severely the increased expence of living. But these classes formed the minority of the public: by men in active life, increase of expence was less considered than increase of income; and the general enhancement of commodities being ascribed to an abundance of money, was accounted a symptom, and even a proof of the increase of our national wealth.

The temporary stimulus afforded to productive industry by the funding system, though never so strikingly exemplified before, may, we believe, be traced in various periods of the history of Europe during the last two centuries. Was it not conspicuous in the long contests of the Dutch, first with Spain and subsequently with France, as well as in every war that has been carried on by England since the revolution; though in none of these did the amount of loans, and still less the amount of war taxes, bear any proportion to those of the present age.

Was a habit of economy produced by taxation to be counted among our means of bearing these burdens? Taxation, we believe, had, even when carried to its greatest height, very little effect in promoting economy on the part of the public; in stimulating to exertion, it had more, but its great result was in producing a rise of prices. The sugar which the planter, on paying a moderate duty, could have afforded to sell in England at 60*s.* the cwt., was raised by the effect of new taxes and war charges to 70*s.* or 75*s.* Tea which, after paying half its original cost to the custom-house, might have been sold at 5 or 6*s.* the lb., was raised, in consequence of being taxed 100 per cent., to

7 or 8*s.* and the salt which (see Sir T. Bernard's pamphlet on the employment of the labouring classes in 1817) might, if unburdened, have been afforded at £1. a ton, was made, in consequence of the duty, to cost more than twenty times that price. As the value of money is regulated by its power of commanding the necessaries, the comforts, the luxuries of life; an augmented money price became, under such circumstances, indispensable for land, houses, labour, in short for every thing, except certain manufactures, particularly cotton, in which the discovery of economical methods more than counterbalanced the increase of expence arising from taxes and war charges.

The power of paying taxes during the war, is thus to be sought, not in retrenchment on the part of the public, but in an increase of the general activity, and still more in that which a writer, (as yet little known to the public, but to whose works we shall frequently have occasion to refer, Mr. Simon Gray) terms the power of "charging and counter-charging;" the power of individuals to augment those demands which constitute their respective incomes; and thus to transfer from one hand to another the burden of a new tax.

Absence of Foreign Competition.—This augmentation of charge, this transfer of burden, was facilitated during the war by various causes, among which is to be included the existence of similar, though not equal demands from continental governments on their subjects. These demands, in conjunction with the obstructions to intercourse attendant on a state of war, had the effect of preventing the high prices in England from being

lowered by foreign competition. Had the war affected only France and England, had the rest of Europe been exempted from the burdens of great military establishments, such a system of increased taxation, or, in other words, such a rapid augmentation of prices would have been impracticable: our countrymen would have emigrated; capital would have been sent abroad; foreign manufactures would have been smuggled among us; the supplies for the United States and other distant markets would have been prepared on the continent. But Holland, the only continental country possessed of disposable capital, was subjected to great oppression; while Germany, and in the latter years of the war, Denmark and Sweden, were burdened with heavy military charges. British capital was prevented from finding its way abroad, as well by dread of Bonaparte's despotism, as by the profitable employment afforded it at home. Smuggling was continued, but only in articles (such as spirits, tea, laces,) in which it had been carried on in peace: the number and activity of our cruisers prevented its extension, notwithstanding the additional temptation arising from our augmented duties.

Our country was thus insulated commercially as well as physically, and an amount of taxation, a rise of prices, which at other times would have been ruinous, were comparatively innoxious when our neighbours were subjected to heavy burdens. As soon as this point is clearly comprehended by the enquirer; as soon as he becomes satisfied of the *non-existence of foreign competition*; he will find much less difficulty in the solution of our financial problem. (See Appendix.)

Proportion of our Burdens to our Resources.—Our taxation is for the most part levied, not as in France on production, but on consumption: its proportion to our means is, consequently, to be calculated with reference to the aggregate of individual expenditure. We shall presently have occasion to observe, that the proportion of such expenditure which finds its way annually into the public treasury, has, since 1798, been very large; particularly in towns, on account of the great consumption of exciseable articles. Now as the expenditure of government during the war, or, to speak more correctly, the increased expenditure of individuals consequent on government disburse, took place almost entirely in towns, we shall probably not exceed in calculating that it returned into the Exchequer a proportion approaching to 33 per cent., or a third of the amount that had issued from it. This estimate justifies the following inference.

Total of government expenditure during the war, exclusive of the sum raised by the property-tax - - -	£930,000,000
Of which a third, or 33 per cent., paid back in taxes, formed a sum of -	310,000,000
Add the amount of income, or property tax, paid into the public treasury, exclusive of the 33 per cent., but defrayed in general from the extra profits of a state of war	170,000,000
Forming together -	£480,000,000

a sum which goes far towards accounting for the payment of the total of "our supplies within the year;" or, in other words, towards proving that after all our boasted sacrifices, our contribution during the war was little more than a repayment of money issued, leaving the chief part of the

burden to years of peace, in the form of a permanent debt. (See Appendix.)

Thus was carried on from year to year a most expensive contest, without much pressure on any part of the public, unless the fixed annuitant, and without a depreciation of our national capital, except of that portion (such as the funds, or loans on mortgage,) of which the value is permanently represented by money. To many persons, and in particular to those interested in the expenditure, this state of things bore a favourable appearance; conveying to some the idea of an accumulation of national wealth, to others the belief that we finally defrayed our burdens from sources arising from the war. None were sufficiently aware of the re-action to be expected at a peace. To foresee its extent was, we admit, impossible; but few of our public men bestowed a serious thought on the nature of such re-action, while some of them seemed hardly aware of the possibility of its occurring; so limited had been their study of political economy as a science, so cursory their examination of corresponding periods of our history. All that seemed to occur to the most cautious was that our situation was, in some degree, unnatural; that the great expenditure of government was not compensated, on the part of the public, by economy, or by any great share of extra-exertion. Hence an apprehension, on the part of some, that the war must entail a burdensome inheritance, but at what time, or to what degree, no one could foretell.

Nor was any endeavour made, either in Parliament, or in printed works, to perform a much easier task; to draw a parallel between the increase of our resources and our burdens. This we shall

now briefly attempt, giving to our statements the definite form of arithmetical calculation, and referring for details to the chapter more particularly appropriated to calculations of national income and capital. We begin by computing the increase of our taxable income since 1792, understanding by taxable income the aggregate income of individuals accustomed to consume taxed articles.

Conjectural estimate of this aggregate, or taxable income, of Great Britain (distinct from Ireland) at different periods, from 1792 to 1814, founded chiefly on the returns made under the property tax, with the addition of the computed amount of wages and other incomes, which, though exempt from that charge, are subject to taxes on consumption.

	Money of 1792.	Money of different dates subsequent to 1792.
In 1792 our taxable income may be computed to have been	£125,000,000	
In 1806, increase calculated in the *ratio* of the increase of the population, viz. 18 per cent.,	22,500,000	
	147,500,000	
Probable addition to national income from the higher wages and higher profits of capital in a state of war, -	22,500,000	
Total of taxable income in 1806, - -	170,000,000	

which, by a general rise of prices to the extent of 30 per cent. between 1792 and 1806, became, in the payment of taxes and all

	Money of 1792.	Money of different dates subsequent to 1792.
money transactions, equivalent in 1806, to fully -		£220,000,000
We shall now apply this mode of calculation to the last year of the war.		
In 1813 or 1814: Increase of national income since 1806, calculated in the ratio of the increase of population, 11 per cent.		
National income in 1806 as above, - -	£147,500,000	
Add 11 per cent. -	16,500,000	
	164,000,000	
Probable addition to national income, from the higher wages and higher profits of capital in a state of war, -	24,000,000	
Total of taxable income in 1813 or 1814, -	188,000,000	
Equal, at a rise of prices of 60 per cent. since 1792, in all money transactions in 1813 and 1814, to - -		300,000,000

(See the subsequent chapter; also the chapter on National Capital and Revenue.)

Our next calculation is —

A comparative Statement of our Public Burdens, and Taxable Income.

The public burdens include taxes, (with the expence of collection,) poor-rate, and tithe.

Years.	Annual burdens in the money of the particular year.	The same reduced to a uniform standard; viz. money of the same value as in 1792.	Our taxable income computed by a uniform standard; viz. money of the value of 1792.
1792. -	£22,000,000	22,000,000	125,000,000
1806. -	60,000,000	46,000,000	170,000,000
1814. -	80,000,000	50,000,000	188,000,000

The reduction to a uniform standard is indispensable to a correct conception of the amount of our burdens and revenue at different periods. By that reduction, the aggregate of our taxation, poor-rate, and tithe, amounting in 1806 to the very large sum of 60,000,000*l.* is brought, adopting the proportion of 130 to 100, to 46,000,000*l.* of the money of 1792; and the still larger sum of 80,000,000*l.* raised for the same purposes in 1814, becomes lessened in the proportion of 160 to 100, to 50,000,000*l.* of 1792.

It remains that we bring our reasoning to a point, by ascertaining the proportion borne at different periods by our burdens to our means. This is done by a calculation founded on the preceding tables, but modified by some considerations which shall be explained in our chapter on National Revenue and Capital. The result is that our burdens bore to our resources,

Great Britain distinct from Ireland.

In 1792. a proportion of nearly	-	18	to	100
1806. - of	-	-	27	to	100
1813. or 1814. of	-	-	27	to	100

Great Britain and Ireland.

1822. a proportion of	-	-	28	to	100

We shall now turn aside from these complicated calculations, to fix our attention on that general rise of prices which took place during the war, and continued almost without interruption from 1793 to 1814. As this formed one of the principal changes in our situation, both individually and nationally, it is fit that we should investigate it with minute attention.

CHAP. II.

Effect of War on the Money Price of Commodities.

Reserving to a subsequent chapter our remarks on the fluctuations in the value of money from a remote period of our history, we shall at present confine our attention to the last thirty years; to the great rise caused by the war, and to the no less remarkable fall that has occurred since the peace.

Of the causes of rise during the war, the principal were:—

The extra demand of men for government service, and the consequent increase of wages and salaries.

The inadequacy of agricultural produce, consequent on the drain of labour and capital, for the public service.

The increase of taxation; and, lastly,

The non-convertibility and consequent increase of our bank paper.

Of these causes the inadequacy of our agricultural produce, and the non-convertibility of our bank paper, are reserved for separate discussion: at present we proceed to the effect of the extra demand of men for government service, the magnitude of which will best appear from a refer-

ence to our expenditure, keeping out of view our annual payments for interest of debt, or the civil service of government, and fixing our attention on a

Statement of the conjunct expense of our army, navy, and ordnance, from the beginning to the close of the war, taken from the accounts laid before Parliament.

1791.	-	£ 4,226,000	1803.	-	£21,106,000
1792.	-	8,750,000	1804.	-	30,854,000
1793.	-	13,511,000	1805.	-	36,219,000
1794.	-	20,247,000	1806.	-	37,706,000
1795.	-	28,751,000	1807.	-	36,176,000
1796.	-	30,165,000	1808.	-	39,778,000
1797.	-	27,606,000	1809.	-	42,073,000
1798.	-	25,982,000	1810.	-	43,246,000
1799.	-	27,257,000	1811.	-	47,968,000
1800.	-	29,613,000	1812.	-	49,739,000
1801.	-	26,998,000	1813.	-	54,872,000
1802.	-	23,121,000	1814.	-	60,239,000
			1815.	-	43,282,000
		£253,251,000			543,258,000
				Total nearly	800,000,000

The years of peace with which the table begins, show the very limited demand made on our population for military purposes previous to 1793. In that year our levies took place on a large scale, although it was not till 1795, when the number raised in three successive years were sufficient to form a great establishment, that our expenditure became very large. Recruiting continued with unabated activity during the whole war, until the signature of the preliminaries of peace, in October, 1801. In 1803, the renewal of hostilities was attended by a call on our population which led, in little more than a year, to a more numerous establishment than we had ever had on foot. The de-

cisive victory of Trafalgar removed the dread of invasion; but the continental successes of the French, the aggrandizing projects of Bonaparte, were such as to admit of no reduction on our part; and after 1808, all hearts were united in the cause of Spanish independence. Hence a continued demand for recruits, an increase of levy money, and a progressive addition to the numbers on foot, during the rest of the war.

What was the proportion of the force in arms to our population at large? To this, one of the first questions of a political economist, the answer is, that the proportion of men in arms was larger in this country than in any other state in Europe. In March, 1804, Lord Liverpool, then Lord Hawkesbury, declared in Parliament, that our army and navy, including militia, but exclusive of volunteers, approached to the number of 400,000, being more than one in ten of the able-bodied population (then computed at 3,800,000) of Great Britain and Ireland. France, he added, had at that time in arms about 560,000 men, or one in fourteen of her able-bodied population. Austria had on foot also one man in fourteen; and Russia, if any dependence was to be placed in the loose returns of her population, nearly the same proportion. Prussia was the only power whose military force (about 240,000) bore like ours, the proportion of one in ten to her able-bodied males: but it was with her a season of peace, and a number of her soldiers were permitted, by furlough, or otherwise, to give a part of the year to productive labour.

But this drain of one man in ten was far from forming the whole demand on our population; the arms, the ammunition, the clothing, the stores

required by government, and constituting a considerable part of the annual sums in the preceding table, employed in their manufacture a very large number of additional hands. To this there remains to add a proportion of our subsidies, we mean the part supplied to our allies, not in money, but in stores, the manufacture of which formed, of course, a farther demand on our national labour. Combining these into one sum, and dividing it by the number of years of military expenditure (twenty-three), we find the average annual charge for the army, navy, and ordnance, to have been *thirty-six* millions, instead of the four or five millions a year prior to 1792.

Observe next, the difference of effect in the sum raised for this purpose, and that which is levied for the interest of the national debt. The latter bore, like all taxation, on the prices of commodities; but our military expenditure had a double, or rather triple effect of that nature; first by a drain of money, next by a drain of hands, and, thirdly, by obliging other hands to work for those so withdrawn. It is only thus that it is possible to explain either the extraordinary rise of prices in the war, or their no less extraordinary fall since the peace.

Effect of Taxation on Prices.—The result, or, to speak more properly, the avowed tendency of most taxes, is a direct augmentation of price. Taxes on commodities are always imposed on the calculation of being paid by the consumer; the supply of any article, whether a luxury, such as wine and sugar, or a necessary of life, like corn, salt, leather, being presumed to be in proportion to the effectual demand, and the tax intended not as

a burden on the producer or vender, but as an addition to the price paid by the consumer. At times, however, from the market being overstocked, no addition takes place; the price continues as low as before the imposition of the duty, and the new burden falls on the producer or seller. Such was long the case of our West India sugar planters during the war; such is, in a great measure, their case at present: it is the case, also, of a far more numerous class, our farmers, who, in 1822 as in 1815, are to be considered as paying their taxes out of their capital. In general, however, there is made an addition to the price of an article, not merely to the amount of the tax, but in a somewhat increased proportion. Suppose a custom duty paid on an article which, on importation, is sold to a wholesale dealer of the first class, next to one of the second class, and, lastly, to a retailer: the demand of a profit on, or rather of an indemnity for the tax, is repeated three times; and, although these demands are far smaller in degree than has been asserted by the advocates for the repeal of taxes, they form, eventually and collectively, a serious addition to the national burdens; an addition which, joined to the charge of collecting our taxes, constitutes, we believe, a dead loss of from 12 to 15 per cent. (from six to seven millions sterling) on the total amount paid by the public. This loss will be effectually lessened only by the introduction of a double improvement; a farther simplification, on the part of government, of the process of collection, and, on the part of the public, the adoption of the practice of ready money payments, so general in Holland, in its day of prosperity.

Next, as to taxation in a more direct and undis-

guised form, such as the assessed or the property taxes. In what manner, it may be asked, do individuals in general meet burdens of that description? Is it by self-denial and economy, by increased industry, or by adding the amount of the tax to the charge which, in their respective lines of business, they make on the public? Economy is practised, we may be assured, by those only whose income admits of no increase: augmented exertion is more natural to our countrymen, and was, doubtless, made to bear a considerable part in defraying our war burdens; but the latter, whenever it was at all practicable, were charged by the payer on his customers or connexions; and the result, as explained in the last chapter, was a progressive enhancement not only of commodities, but of salaries, professional fees, and labour of every kind.

Such, along with the insufficiency of agricultural produce, and the eventual derangement of our paper currency, were the causes of the general rise of prices during the war. We proceed to exemplify that rise, and the fall since the peace, by a reference to real property.

Land. — The farm which, in 1792, let for 170*l.*; which, in 1803, (see the tabular return of charges of cultivation in the chapter on Agriculture,) afforded a rental of 240*l.*, and in 1813, of 320*l.*, has now reverted, or must, ere long, revert to 240*l.*

Houses. — The house which, in 1792, let for 50*l.*, in 1806, for 65*l.*, and in the latter years of the war, for 70*l.* (the rise being less great in houses than in land), has now reverted to a rent of 65*l.* Its value as a purchase, originally 1,000*l.*, raised toward

the middle of our long contest, to 1,300*l.*, and eventually to 1,400*l.* or 1,500*l.*, is now brought back, or likely to be soon brought back, to 1,200*l.*, a sum which, in the scale of general expenditure, is or will soon be equal to the 1,000*l.* of 1792.

Land and houses have thus maintained a nearly uniform value under a very different amount of money rent. The same is applicable to the far greater part of income, whether arising from property or labour; from capital vested in trade, manufacture, or agriculture; from wages, salaries, or professional charges, the sum paid having regularly increased as its value diminished.

Money property, such as the stocks, or loans on mortgage.—Here a very different scene opens. A sum lent on mortgage, which, for facility in calculation, we shall suppose to have been 3,200*l.*, yielded throughout the war a regular 5 per cent. of interest, but the 160*l.* received from it, became, towards the middle of the war, equivalent to only 130*l.*, and, towards its close, to little more than 100*l.* This formed a heavy reduction; but it is fit to add, that the continuance of peace after 1792 would have produced a reduction of a different kind, lowering the rate of interest to 4, 3½, and eventually, perhaps, to 3 per cent. Since 1814, the reaction in the value of money has rendered the 160*l.* of interest equivalent to more than 130*l.* of the money of 1792. To what proportion of the national income does this calculation apply, or, in other words, what is the amount of fixed annuities in the country, excluding wages, salaries, stipends, and all payments which may vary from year to year? We are inclined to compute this amount at 50,000,000*l.* annually, a sum which is at present,

and was during a great part of the war, nearly one-fourth of our total national income.

Injurious effect of high prices.—The pernicious tendency of fluctuation in the value of money is generally admitted, but that of permanent enhancement is less understood: it is even the notion of a number of writers, and a still greater number of practical men, that taxation, though the great cause of enhancement, is productive of no injury in a public sense, because the money thus collected is almost all expended at home. This idea has induced the writer already mentioned (Mr. S. Gray), whose views, sound and liberal in several respects, are in others greatly impaired by over confidence, to give our national debt the convenient name of "public service capital." "The payment of the interest is," says Mr. Gray, in the work entitled, "All Classes productive of National Wealth," (p. 136.) "no disadvantage: the public is just where it was before: they have had thirty millions charged on them, for the interest of the national debt, and they have charged thirty millions in return."—All this might be true were the British Islands a distinct planet, or were they separated from the rest of the world by a "wall of brass ten thousand cubits high:" but, doomed as we are to intercourse with our continental brethren, does not an excess of taxation place us under a great relative disadvantage in a competition with foreign manufacturers? And, before the fall in our corn market, was it not to be apprehended, that our capitalists might transfer to less burdened countries, that money, that machinery, and, in part, those hands, which have so

effectually conduced to make us support our financial pressure?

A writer of great notoriety, without carrying his doctrine so far as Mr. Gray, expresses in more places than one, an opinion that high taxation imposes on us no disadvantage relatively to our neighbours, or, to use his own words, that "a generally high price of commodities in consequence of taxation would be of no disadvantage to a state."* This opinion Mr. Ricardo repeats in another passage (p. 305.) where he says, that the "amount of taxes and the increased price of labour in a country does not, according to his ideas, place it under any other disadvantage with respect to foreign countries, except the unavoidable one of paying these taxes." But he soon after makes a highly important qualification, by admitting that these charges render it the interest of every contributor to "withdraw his shoulder from the burden, and, in many cases, to remove himself and his capital to another country;" a course replete with the most injurious results.

We shall suppose, for the sake of illustration, that the whole of the civilized world, the whole of the states who carry on a commercial intercourse with each other, are simultaneously involved in war and obliged to impose on themselves burdens which bear the same proportion to the taxable income of each:—the consequence would be a concurrent and uniform rise of prices; and a contest, after lasting twenty years, might terminate without any relative disadvantage to any of the belligerents, as far as regarded their finances, or the state of their productive labour. But in every war there are certain states, whose rulers have the

* Ricardo on Political Economy, 2d edition, p. 283.

prudence to avoid participating in the unprofitable struggle, and who secure to their subjects the advantages of neutrality, along with an exemption from the burdens entailed on their neighbours. Such, in the present age, was the case of Denmark until 1807: such also was for a time, the case of Sweden, Prussia, and, above all, of the United States of America.

Holland, a country particularly inclined to a pacific policy, has, from her geographical position, been unavoidably involved in most of the great contests which have taken place since she became a power, so that during the 17th and 18th centuries, her history exhibits hardly any period of exemption from them, except in the war of 1756. We, whether from necessity or from belligerent ardour, have so seldom enjoyed the blessing of neutrality, that to trace it in our history, we are obliged to recur to the reign of James I., who, whatever might be his weakness in other respects, stedfastly maintained peace amidst the convulsions of Germany, the dissensions of France, the prolonged hostilities of Spain and Holland. A striking illustration, not indeed of neutrality but of that prudent mode of warfare which secures national independence, without aiming at foreign acquisitions, is to be found in the troubled reign of Elizabeth, and the wise administration of Cecil.

Prices on the Continent.—In how far, in the present age, have the other countries of Europe participated in those fluctuations of money which among us have reached so extraordinary a length? This question is of no easy solution as well from want of documents in countries which had then no representative assembly, as from a depreciated

paper having been current in almost every part of Europe. France, the only state that has equalled us in the duration of her wars, exhibits a remarkable contrast to us in the extent of her financial burdens. Her revenue, amounting in the beginning of the revolution, to about twenty-two millions sterling, (see the Report of Camus to the National Assembly, in July 1790), was never increased by more than the half of that sum; while our sixteen millions of 1792, became forty-five millions in 1804; sixty millions in 1808, and nearly seventy millions in 1814. In fact, in the early part of the revolutionary war, the collection of revenue in France was considerably under twenty millions; the wants of government having been supplied by the emission of *assignats* during four years of emergency, (1792. 3. 4. 5.) and afterwards in a considerable degree, by contributions from conquered territories. The amount emitted in the form of assignats admits of no definite calculation, the value of that government paper having fallen rapidly, and having been at last reduced to a nullity. But if we compute at two hundred millions sterling the amount of public sacrifice from the assignats, and if we add for the bankruptcy committed in regard to two-thirds of the public debt, the forced loan of 1797, and the augmented taxation of the latter years of Bonaparte, two hundred millions more; and, finally, if we add a national loss of one hundred millions, consequent on his inauspicious return from Elba, and the invasion of 1815, we make in all a pecuniary sacrifice on the part of France, of five hundred millions sterling, over and above the twenty-two millions of annual expenditure necessary under a peace establishment.

But the political strength of our southern neighbour lies less in money than in men, and that forced annual levy which would be so indignantly received among us, and so subversive of the resources of a commercial and manufacturing country, proved the most effectual means of drawing forth the power of France. In this respect accordingly her sacrifices have been very great, the number of men who fell in the long struggle from 1792 to 1815, estimated, on a moderate computation, at a million and a half, being probably more than three times as many as was lost by our country after every allowance for the destructive effect of tropical climates. In another respect also, the neglect of education and postponement of the choice of a profession attendant on the Conscription, as well as the loss of time to those who escaped the sword and resumed a pacific occupation, form an amount of national detriment which may very fairly be put in the balance against the vast loss sustained in this country by the transition from war to peace.

The Netherlands, subjected during twenty years to the sway of France, and during a part of the time to the Conscription, were also exposed to heavy losses. If less great than those of France in men, they were larger in a financial and commercial sense, as well from augmented taxation as from interrupted intercourse, and the many abortive attempts made, during the enforcement of the prohibitory decrees, to produce substitutes for coffee and other articles, the growth of a tropical climate.

Of the other European powers the chief belligerent was Austria, whose pecuniary sacrifice was

lessened by our subsidies, but whose loss in men amounted perhaps to the half of that of France. Next came Prussia, Spain, Russia, Sweden, in whose case the duration of suffering was less, but who were all doomed to feel the destructive ravage of war and invasion. A pressure of a more lasting kind, we mean that which is attendant on the maintenance of a large standing force, extended to every state, great and small, on the continent, from 1792 to 1814. Their taxation consequently increased, and the general demand for men was followed by a general rise in the price of labour. The impracticability of effecting loans prevented that stimulus to productive industry, that drain on the future in favour of the present which took place among us to so great an extent: nor was there in any part of the continent a continued inadequacy of agricultural produce. Accordingly, though prices on the continent became higher in war than they had been in peace, though during the one period the demand for labour was brisk, in the other languid, the degree of difference was much smaller than with us; and were we, for the sake of arriving at a definite estimate, to hazard a conjecture of the difference between the present prices on the continent and those of 1792, we should pronounce the former from 10 to 15 per cent. higher. This is somewhat more than half the enhancement that we find in England, comparing our present prices to those of 1792.

This excess on our part in the *ratio* of enhancement, added to a similar excess in prices previous to 1792, makes a total difference between this country and the continent of from 20 to 30 per cent. The leading causes of this are our heavy excise duties, the larger size of our towns, and the occasional operation of our corn laws. The balance against us would be still greater, were it not in a

considerable degree counteracted by the cheapness of fuel and of several articles of manufacture, in particular hardware, in which our command of capital, our inland navigation, and our machinery, afford us a considerable advantage over the continent.

Rise of prices apparently indicative of prosperity. An increase in the money value of commodities, of land, houses, and stock in trade, accompanied by a general augmentation of salaries and wages, suggested during the war the idea of general prosperity, of increase of wealth arising from or denoted by an increase of our circulating medium. How far this was *nominal* has already been in some measure shown: the augmented price of commodities, of land, houses, merchandise, required, to represent it, a larger sum of money, but that money was of less value. Or, if we admit that the general briskness caused by the demands of government led to an actual rise of prices, a rise over and above that which was requisite to meet the alteration in the value of the currency, it is fit at the same time to recollect that the fixed money property of the country, such as the stocks and loans on mortgage, all underwent depreciation. What then was the *real* result? That, on the one hand, the national property was lessened by the great additional charge arising from the war: on the other, it was augmented by the general progress of improvement and increase of population. There were, however, no such limitations in the estimate of the public, or, as far as we can perceive, on the part of ministers: both confidently inferred prosperity from rise of prices, and appear never to have suspected that such rise was as much an indication of increase of burden as of an increased demand for labour.

What a train of misconception, what a series of sanguine and fallacious notions would have been prevented, had the public been earlier aware of these simple truths! During the war, the rise of price was so regular, and of such long continuance, (from 1793 to 1814), that the majority of the present generation took for granted that it would be permanent, ascribing it either to the natural course of circumstances, or to causes not likely to be suddenly altered, — such as the unknown gains of our foreign commerce; the influx of the precious metals from America, or the increase of our circulating medium by the issue of bank paper. But in this, as in other points, the return of peace has undeceived us; it has shown that the influx of specie was over-rated; that the effect of bank issues, though at one time considerable, was temporary, and that the origin of high prices is to be sought in less welcome causes. Two of these, the demand for men for the public service, and the insufficiency of our growth of corn, have for some time ceased to operate, but the third, certainly not the least considerable, we mean taxation, continues to press on us. On calculating, as we propose to do in a subsequent chapter, the total addition made to our taxes and poor-rate since 1792, we shall find them bear a proportion of from 10 to 12 per cent. on the taxable income of the nation, which necessarily implies a correspondent addition to our prices, and accounts for a material part of the difference in the value of money between the present time and 1792.

What, it may be asked, was the effect of a rise of prices on our public revenue? Like all artificial changes it was productive of little permanent effect: it increased the numerical

amount of the revenue, but it was ultimately followed by a corresponding drawback in augmented expenditure; enhancing stores, salaries, the pay of the army and navy, in short, almost every object of government disburse. On the cessation of the war, the picture was completely reversed, and our debt, from the rise in the value of money, has risen almost every year in its pressure. Calculating the debt contracted during the whole war at £460,000,000; and dividing the periods with reference to the relative rise of prices, or, in other words, depreciation of money, we shall find that the smaller part of this debt was incurred when money was more valuable than at present, the larger when money was more depreciated. This point, so repeatedly brought forward in parliamentary discussions, shall be treated on a subsequent occasion: at present we have merely to remark that, as far as regards the debt contracted in the present age, the public have been considerable losers by the fluctuation of prices.

Conclusion.—We have now enumerated the chief causes, which tended to produce the rise of prices during the war. To define the amount of that rise either in specific articles or specific years, would be a task of great labour and nicety: the only person who attempted it was the late Mr. Arthur Young, of whose calculations we shall treat afterwards. If, for the sake of conferring some degree of precision on an obscure subject, an attempt be made to divide the progress of enhancement into periods, we may consider the war as having produced half its effect towards the year 1806, viz. that the rise of prices taken in the most comprehensive sense, whether of provisions,

clothing, labour, or professional charges, was in that year fully 30 per cent. above the prices of 1792. From 1806 to 1813 the rise was more rapid, in consequence of the double effect of a non-convertible currency, and extended military operations, so that in 1813 and 1814 the enhancement was not short of 30 per cent. on the prices of 1806, or of 60 per cent. on those of 1792. Peace opened a very different prospect: the reduction began very early, but the intervention of a bad crop, (1816) and of a year of overtrading, (1818) prevented the fall from being general till 1819, and, in some measure, till the latter part of 1820: at present prices, stated in a comprehensive form, and with reference to the expenditure of the lower as well as the higher classes, are or will soon be 40 per cent. below those of 1813, leaving them still about 20 per cent. above the currency of 1792. This is, of course, to be understood of prices collectively; for particular heads of expenditure, such as cotton and hardware goods, are lower than before the war, while in salaries and wages the difference, as yet at least, is considerably above our supposed average.

Summary.—From 1792 to 1806, 14 years, a rise of 30 per cent.
From 1806 to 1814, 8 years, a further rise of 30 per cent.
From 1814 to 1822, 8 years, a fall of nearly 40 per cent.

Of the nature of our prospect, whether prices in future are likely to rise or fall, we shall treat in the chapter appropriated to such inquiries. At present, without professing to speak with confidence on a subject on which confident calculation

would be ridiculous, we shall remark, generally, that on the one hand, all those improvements in machinery in which the age is so prolific, are conducive to cheapness, and that our increased intercourse with the less heavily taxed countries of the continent will in some degree tend to the same result: while, on the other hand, may be urged, the probability of a larger supply of metallic currency, by the application of machinery to the American mines; and perhaps the prospect of a more general substitution of paper for coin in the larger payments throughout the continent of Europe.

CHAP. III.

Consequences of the War exemplified by the transition to Peace.

No period of our history affords an example of a change so sudden and so extensive as that which took place in the state of our productive industry after the peace of 1814. For the relinquishment of foreign colonies, and for an active rivalship in manufacture, on the part of the Continent of Europe, the public were prepared; but they had, in a manner, lost sight of the great difference between government expenditure in peace and war; and the few calculators who took this difference into account, imagined that the diminution of home business would be balanced by the demand for newly opened markets in America and Asia. These persons were by no means aware either of the magnitude of our circulation at home, arising from war expenditure, or of the substantial difference between an assured payment in England, and the hazard attendant on transactions with distant countries. Many anticipated a partial reduction of wages, but not a general want of work; a diminution of mercantile and manufacturing profit to a certain extent, but in no degree proportioned to that which took place. Yet the years of peace

have been marked by no calamity of a general nature; by no such bankruptcy as the South Sea or Missisippi scheme; by no territorial cessions, like the relinquishment, at the peace of 1783, of our North American provinces; by no insurrection in our colonies; no successful rivalship on the part of competitors either in manufacture or navigation.

Causes of our Distress. — What, then, have been the causes of our great and unexpected embarrassments? Not a reduction of our means considered physically or intrinsically, but a general change in the mode of rendering them productive; a sudden removal of the stimulus arising from the war. In no former contest had our military establishments been carried to such a height: the number of our militiamen, soldiers, and sailors, discharged, amounted to between two and three hundred thousand, of whom many returned to productive labour, while a considerable proportion of our manufacturers, perhaps not less than one hundred thousand, ceased to receive employment in preparing clothing, arms, and other military stores. Hence a rapid overstock of manufactures, and a no less rapid fall of wages. Agriculture, though resting apparently on a firmer basis, received an early shock in consequence of the extravagant expectations of certain landholders, who, by urging a corn law such as government could not grant, caused a year to elapse without an alteration in the existing limit: imports accordingly took place on a large scale, and our farmers, instead of descending gradually, were exposed to all the evils of sudden depression. On the other hand, our

consumption, whether of agricultural or manufactured produce, experienced no absolute diminution; for our numbers, as was shown by the extent of new buildings, were annually on the increase: but partly from the economy introduced by altered circumstances, partly from other causes, the increase of consumption did not equal the increase of supply, and a general fall of prices became unavoidable.

Similar causes of embarrassment were unfortunately in operation on the Continent of Europe. In former wars the evils of transition had been felt in few countries, and to a comparatively small extent: but in 1813 and 1814, almost all Europe had been in military array, and every country felt the sudden change from disembodying of armies, cessation of government purchases, and an overstock of productive labourers. Add to this, that our greatest customers, the United States of America, had suffered so severely from the stoppage of their navigation, and the loss of their neutral character, as to be far less able to pay for our goods than before our ill-fated Orders in council. Our foreign trade, though not diminished, and even partially increased in amount, failed, from irregularity in the payments, to prove an efficient source of relief; and our distress was aggravated in no slight degree by the absence of many of our countrymen of the upper and middling classes, who, whether as travellers or as residents on the Continent, incurred an expenditure of 5 or 6,000,000*l.* annually abroad, at the time it was most wanted at home.

To show the magnitude of the transition from war to peace, we add a brief comparison of the sums expended by government in the five last years of the war, and the five first years of peace:

Years of War.

1811 -	92,200,000*l.*	1814 -	117,000,000*l.*
1812 -	103,400,000*l.*	1815 -	110,000,000*l.*
1813 -	121,000,000*l.*	Average	108,720,000*l.*

Years of Peace.

1816 -	72,000,000*l.*	1819 -	59,000,000*l.*
1817 -	66,300,000*l.*	1820 -	64,000,000*l.*
1818 -	67,000,000*l.*	Average -	64,660,000*l.*

Peace thus caused an immediate reduction of nearly fifty millions in the amount of the money distributed by government to pay employment, or, as it is termed by political economists, to stimulate productive industry. During the war all our establishments, private as well as public, had been formed on a large scale, a scale that supposed a power of demand, a capacity of payment much greater than was found to exist after the peace. This was the case in regard not only to great offices, but private establishments of the most dissimilar character; manufactures, mercantile houses, seminaries of education, and a variety of undertakings, almost all of which, whether in the metropolis or provincial towns, were adapted to a community increasing not only in its numbers, but in its means of expenditure.

The means by which we were enabled to pay such heavy contributions during the war have already been explained. Exempt from continental competition, the public, or at least four-fifths of the public, had at that time the means of indemnifying themselves for their taxes by an increased rate of charge. This was the case of the land-holder, the farmer, the owner of houses, the receiver of

tithe: it was the case, likewise, of persons exercising professions, of those receiving salaries, and of the very numerous class, whose dependence is on wages. The only persons precluded from this advantage were the fixed annuitants, landholders whose property was let on lease, and, for a time, the military and civil servants of government. Since the peace all has been reversed: agriculturists, merchants, manufacturers, mechanics, have all fallen from their 'vantage ground, and prosperity has been confined to the comparatively small number of persons with fixed incomes—the persons who had experienced privations during the war.

The extent of our suffering might have been in some degree lessened, had our real situation been earlier known, or had it not undergone considerable fluctuation in the years that have elapsed since the peace. The year 1814 produced two great results; a fall of corn, and a reinstatement of the value of bank paper. Both continued during 1815 and 1816, but the bad harvest of the latter year renewed the operation of our corn laws, and being followed by a revival of trade and manufacture, accustomed us anew to high prices, gave a temporary increase to the revenue, and suspended the measures that might otherwise have been taken for a general adaptation of our burdens to our means; we mean a reduction of salaries and those other incomes in regard to which, from the sums being previously fixed, the course of circumstances has not had free operation. Our second period of distress (beginning in 1819) thus came on us as unexpectedly as the first, and we are now, in the eighth year of peace, discussing those points which it had been of infinite importance to us to have understood from the moment that the overthrow

of Buonaparte opened the prospect of a great and general change.

After these preliminary observations we proceed, as in the preceding chapter, to exhibit our results in the form of arithmetical calculation.

Computed amount of the taxable income of the nation at two distinct periods of war and peace, viz. 1813 *and* 1822; *making in a third column an addition for the increased value of money in* 1822.

	Computed Amount in 1813.	Computed Amount in 1822.	The same brought into money of 1815; being our taxable income in 1822, after adding a third for the increased value of money since the peace.
Great Britain, distinct from Ireland.			
(See property tax returns for 1812 and 1815.)			
Rent of land -	£43,000,000	30,000,000	40,000,000
Tithe - -	4,700,000	4,000,000	5,000,000
Annual income or profit of farmers subject to property tax - This was exclusive of nearly £20,000,000 exempted from the tax, (see the returns for 1812,) so that the reduction to farmers is very great	21,000,000	12,000,000	16,000,000
Rent of houses -	16,000,000	16,000,000	21,000,000
Annual profit of trades and professions -	30,000,000	22,000,000	29,000,000
Wages in agriculture, manufacture, and every department of industry	100,000,000	80,000,000	107,000,000
Interest of the public funds - -	31,300,000	30,000,000	40,000,000
Conjectural amount of interest of money lent on private securities	20,000,000	20,000,000	26,000,000

	Computed Amount in 1813.	Computed Amount in 1822.	The same brought into money of 1813; being our taxable income in 1822, after adding a third for the increased value of money since the peace.
Government expenditure at home, exclusive of the portion already included under trades and professions; estimated conjecturally at -	38,000,000	16,000,000	21,000,000
Total for Great Britain	304,000,000	230,000,000	305,000,000
Ireland, conjectural amount of her taxable income - -	35,000,000	25,000,000	33,000,000
Total - -	339,000,000	255,000,000	338,000,000

To understand this table thoroughly, requires no small share of attention: one source of perplexity, indeed, is removed by reducing our present currency to the value of that of the last year of the war; and the reader, in comparing the years 1813 and 1822, may with confidence pass over the second column, and confine his attention to the sums expressed in the first and third. But this is not all: the gross produce of a country increasing in proportion to its population, our national income, had our progress been regular, ought to have followed the same, or nearly the same rule, and to have exceeded that of 1813 by 14 per cent., the amount of increase in our population. This, however, is far from being the case, the augmentation of national income from that source having been unfortunately balanced by the great diminution which has taken place in wages, salaries, and profits.

To bring this reasoning to the test of arithmetical statement, take the national income of 1822 - - - - - - £255,000,000

Add to it a third for the increased value of money - - - - - - -	85,000,000
Farther, for an increase of income proportioned to the increase of population, viz. 14 per cent., in the nine years since 1813	46,000,000
In all	386,000,000
Deduct, on the other hand, for the general diminution that has taken place in the income of individuals, whether arising from wages, salary, or profits; a conjectural estimate of - - - - - - -	48,000,000
Remainder, forming the amount of the third column - - - - - - -	£338,000,000

All this will be found to be implied, if not expressed in the preceding table, which, without having a claim to minute accuracy, possesses the advantage of giving a definite form to that which is otherwise replete with uncertainty. Thus, in regard to the complicated question of wages, we find that if, conforming our calculation to our population returns, we make in 1822 an addition of 14 per cent. to the number of persons earning wages in 1813, and assume the reduced sum of £80,000,000 as the aggregate of their receipt in 1822, the result is an apparent fall of more than 30 per cent.; but this fall becomes modified to 8 or 9 per cent., after we take into account the increased value of the money in which wages are now paid. A similar calculation will be found applicable to most other classes.

The conclusion, therefore, is, that after making allowance for two important points, the diminution of our profits, and the increase of our numbers since 1813, the amount of our national income may at present be considered nearly on a par with that of the last year of war. In what then consists the difference so remarkable in the relative prosperity of the two periods? First, in our having a

population of nearly one-seventh more to maintain; and next, in the very unequal operation on different classes, of the changes that have taken place since the peace. A reduction of the income of the community to the extent of a seventh, or 14 per cent., would not, had it been equal and general, have proved disastrous: it would have necessitated a diminution of expense, and have given a general check to sanguine expectation, but could never have been the cause of severe distress. But the transition unfortunately took place in a very unequal manner, the improvement in the situation of certain classes, annuitants in particular, having been the indirect cause of augmented pressure on others. Thus in the case of merchants, after allowing, on the one hand, 14 per cent. for their increased numbers, and on the other, giving them the benefit of the increase in the value of money, the diminution of income appears to be 20, instead of 14 per cent.: in the case of farmers it is above 50 per cent., and if the landholders do not as yet reckon an equal reduction, the failure of rents is likely to affect them very severely during the present and ensuing year. The case of the lower orders, or the great mass of the population, is happily very different, the counteracting power of the rise of money improving the situation of many, and reducing the loss of those to a slight amount, who have undergone a diminution of wages. They who, during the war, received 20s. a week, and at present only 14s. find the smaller sum avail them in their purchases as much as the larger during war. The situation, therefore, of the lower orders, viewed collectively, is by no means impaired; hardship, where it exists, has arisen from inequality in the transition, particular classes, principally manufacturers, having been exposed to severe suffering,

but mechanics, and those whose wages have creased slowly, are more comfortably circumstan than during the war.

In the situation of fixed annuitants, we find the reverse of the picture; but it is fit to remark that their increase of income, apparently exceeding 30 per cent., becomes virtually reduced to 15 or 20, when we take into account the additional numbers that are now to be supported out of the same sum of money. In regard to houses the case is somewhat different, the income being kept up by the great addition that has been made to our stock of buildings.

In what order or succession did these reductions of income take place? First, in the army, the navy, and the classes, such as contractors and manufacturers, who derived their support from government: the agriculturists followed almost immediately, in consequence of the unchecked import of foreign corn during 1814. Trade and manufactures though, as we have already seen, undiminished as far as regarded export, experienced a surprising decrease at home, from the cessation of government purchases, and an overstock of hands from the discharge and non-enlistment of men for the army and militia. Among the liberal professions, the medical suffered a direct surcharge from an obvious cause: the same held in regard to the civil service of government, and if in the law and the church, the overstock has been less immediate, it has not been the less certain, so much does stagnation of demand in any of the great departments affect the community at large.

Reduction of public burdens.—Since the peace, the numerical amount of our burdens has been considerably diminished, and it is natural to ask

in what manner the decrease affects our comparison of the years 1813 and 1822. The repeal of the property tax along with the reduction of the poor rate, the duties on salt, leather, &c. form certainly a large apparent diminution; but it is balanced, or more than balanced, by the rise in the value of money, since 67,000,000*l.* form at present a pressure of greater weight than 80,000,000*l.* at the close of the war.

Effect on our public debt of the late rise in the value of money.—We come now to a circumstance in the series of our transitions, which, without increasing the arithmetical amount of our burdens, has rendered their pressure at the present moment peculiarly heavy. To comprehend this fully, the reader should bear in mind, that government stands permanently in the capacity of a debtor; that its responsibility is represented not in land, houses, or what is technically termed real property, but in money; and that whatever raises or lowers the value of money, increases or diminishes the pressure of its debt. The interest of the portion of the public debt, existing prior to 1792, is about £9,000,000, to pay which required, during the long depreciation of money attendant on the war, no greater drain on the national resources, than the payment of 7 or £8,000,000 previous to 1793. This fact, long known to our finance ministers, formed during a time the basis of very confident calculations: so long as high prices were kept up, so long did our leading men at the Treasury and in Parliament imagine, that the pressure of the debt contracted during the war, would be alleviated by the continued depreciation of money. On the return of peace, a degree of

re-action or rise in the value of money was anticipated; but in the opinion of the public, as of government, this re-action was likely to be slight. Had such proved the case; had the price of corn been kept up both here and on the continent, our national burdens would have been comparatively light: they would not, even reckoning the corn laws in some measure as a tax, have exceeded the proportion of 26 or 27 to 100, or of 80 millions of burden to the 300 millions, which, in that case, would probably have formed the national revenue of Great Britain and Ireland. This proportion would have progressively decreased as our numbers augmented, and we might have considered the expense of the contest as in a great measure liquidated from two sources, the extra profits of labour and capital which had supplied our war taxes, and the depreciation of that money debt, which represented the undischarged burden. But all such calculations have been disappointed: re-action has taken place on a large scale: the thirty millions' interest of our debt are equal in pressure to forty millions in 1813: and without experiencing any direct loss, the Treasury has been subjected to serious embarrassment from the general reduction of rent, salaries, wages, in short, of every thing except fixed money income. It is this which, of late years, has rendered the payment of taxes so difficult, and augmented so greatly the proportion of our burdens to our means.

Has this change been accompanied by any circumstances of alleviation? In private life we have for some time experienced considerable relief from the reduction of our expenditure; but what is the situation of government? It feels the pressure on more than two-thirds of its disburse; the

benefit on less than one-third. The former consist of interest of debt, military and naval pay, pensions, half pay, salaries, and retirement allowances, all of a fixed amount in money, and all virtually increased as money has risen. On the other hand, a reduction of government charge from rise of money, was, till very lately, experienced only in the victualling of our navy, the purchase of stores, and in a portion of the miscellaneous services. (See in the Appendix, p. x. an estimate of the loss arising from the War.)

These discoveries constitute, in some measure, the *denouement* of the mysterious financial drama that has been acting during the last thirty years. Our power of pecuniary contribution so often and so loudly ascribed to augmented wealth, and to generosity in its sacrifice, may now be, in a great measure, traced to causes of a humbler character; to an increase of our productive industry, founded on loans, and to a great, but temporary rise of prices. Both of these remarkable features in our situation were expected by the majority of the public, and by our rulers, to be permanent; but the rise of prices has disappeared, and to the extension of our productive industry, circumstances have, of late years, been very unfavourable. Add to this, that though the prospect of continued peace has produced a radical change in our situation, government have not brought forward, perhaps not yet devised, any new or comprehensive measure of finance founded on the change: they have as yet made no attempt to turn to account that which constitutes the great line of distinction between us and our continental rivals—a rapid increase of population. In fact, we have as yet made little progress towards relief, unless we account as such a more correct knowledge of our situation; a discovery of certain errors;

a perception of the transient nature of the aids on which we relied during the first years of peace.

Have our public men, since 1793, *understood our finanical situation?*—After ascertaining the existence of such general misapprehension, it is impossible to avoid asking whether several important circumstances in our situation and prospect have not been unknown to our political guides. Were they aware during the war, that the extension of our productive industry was, in a great degree, artificial, and must decline with that government expenditure which called it forth? In regard to the interest of our public debt, our pensions and other fixed payments, did they or did they not foresee that, on the cessation of this artificial stimulus, the natural course of circumstances would cause a rise in the value of money, and a consequent increase of pressure? To what degree do these considerations affect the reputation of Mr. Pitt, the leader in that course of policy, which, in a military sense, produced so brilliant a result, in a financial so much embarrassment? That Mr. Pitt was at first averse from the war with France, is apparent, from several circumstances, as well from the declaration of respectable writers*, as from the undeniable fact, that a state of war was altogether contrary to his plans for the reduction of our public burdens. That, after the campaign of 1794 had disclosed the weakness of our allies, and the strength of France, he lamented our involving ourselves in the contest, there seems little reason to doubt: but when fairly engaged in it, when the resources of the country were called into full activity, it accorded with his bold and

* Nichols' Recollections of George III. and J. Allan's Biographical Sketch of Fox, in Napier's Supplement to the Encyclopædia Britannica, page 561.

confident character, to maintain the struggle, in the hope of recovering the Netherlands so unfortunately lost. Hence a continuance of the contest after the defection of our allies and the financial difficulties of 1797; hence those war taxes, which no other minister would have ventured to propose, and certainly none other would have succeeded in raising; hence also our second attack on France by the coalition of 1799. But Mr. Pitt's perseverance was not blind persistency; on a renewed experience of the weakness of our allies, on a proof of the sufferings of the country from heavy taxation and deficient harvests, he felt the expediency of peace, retired from office to facilitate its conclusion, and gave it, when not responsible for its conditions, a sanction unequivocal and sincere. His ardour in 1803 for the re-commencement of war, admits of a less satisfactory solution; it discovered much more the zeal of a combatant, than the discretion of a senator; a disposition to sink the admonitory recollections of our late struggle in ardour for a new contest. He warned us once in Parliament of the magnitude of the expense, and of the necessity of preparing ourselves for sacrifices greater than before; but his caution was general and cursory, unaccompanied by any private admonition to the inexperienced ministry of the day, or any advice to delay hostilities, until an assurance of co-operation from the great powers of the continent. His last great measure, the attack on France by the coalition of 1805, was, doubtless, on the whole, injudicious, preponderant as France then was in military strength, the whole under the guidance of a single head. Mr. Pitt fell here into a miscalculation, by no means uncommon with men of ability; that of anticipating a judicious course on the part of his

coadjutors. Every impartial man, however, must allow, that it would have been carrying mistrust to an extreme, to anticipate the commission of faults so gross as those which led to the disasters of Ulm and Austerlitz. And those who are surprised that a man of talent should misplace his confidence, should calculate on others acting with the discrimination natural to himself, will be at no loss to find similar examples in the conduct of the most eminent men of the age: in that of Lord Wellington, when he expected discretion from Blucher; and in that of Buonaparte, when he allowed the command in Spain to remain in the hands of Jourdan, or when, at a subsequent date, he committed that of his main body at Waterloo to Ney.

Since the distress that has followed the peace of 1814, it has been publicly said, that the embarrassment likely to ensue to our productive industry on the cessation of the war expenditure of government, had not escaped the foresight of Mr. Pitt. Such assertions are often made loosely and inaccurately; but the one in question seems to rest on probable grounds. Mr. Pitt was no stranger to the limited produce of our revenue in peace; he had felt the financial difficulties of the first years of the contest, and the surprising relief afforded to the Treasury by the imposition of war taxes. He could thus hardly fail to be aware that the spring given to our national industry was, in a great measure, artificial; nor could he be unconscious of the ultimately injurious operation of borrowing, when carried to an extreme. Nor is it incompatible with such impressions, that he should for a time have overlooked the inferences which they seem so naturally to suggest, and have been hurried along by ardour in the contest, by an earnestness to obtain a present advantage at the

hazard of a future burden. It is not when engaged in the bustle of business, that the mind is capable of reposing on itself, of meditating, patiently and impartially, the result of favourite measures. How few plans of remote operation, of a character requiring continued thought in the combination and length of time for the execution, originate with men in office! Add to this that the great evils of our financial system, the depreciation of our bank paper, the extreme pressure of taxation took place not only after Mr. Pitt's death, but, in some measure, in consequence of a deviation from his principles. Never would he have given his sanction to such measures as our orders in council; or if, for the sake of argument, we suppose him to have been led, by urgency or by plausible argument, to their adoption, he never would have persisted in so absurd a course during four years, until it, in a manner, drove the Americans to the alternative of war—a war carried on between us and our best customers—a war in which it was apparent, that injury to our opponents must be almost as pernicious to our national industry, as injury to ourselves.

The responsibility of a great part of our existing burden, is thus transferred from Mr. Pitt to his successors, of whose measures, in regard to neutrals, from September, 1807, to May, 1812, it would be difficult to give a satisfactory explanation. They implied a total unconsciousness of the precarious state of our paper currency, and, in regard to trade, either a disavowal of principles generally admitted, or a readiness to infringe those principles for temporary purposes—purposes that could have no decisive effect on the result of the grand struggle with France. A different æra began in 1812: our Orders in council were withdrawn; peace

repeatedly offered to the United States; and, at a subsequent date, no harsh treaty of commerce imposed on France in the day of her adversity. Add to this, that since the peace, no attempt has been made to give a fallacious prop, by bounties or prohibitions, to any of our suffering interests. Still our present ministers have not, on the whole, been successful in rendering the national resources instrumental to the national relief; their fault has lain, not as is usual with governments, in interfering with the course of productive industry, but either in deficient foresight in regard to the changes that are occurring in our financial circumstances, or in deficient vigour in acting on such changes. Take for example the rise in the value of money, a natural consequence of a return to a pacific system, and one which, with some temporary exceptions, has been regularly gaining ground since 1814. Would Mr. Pitt, had his life been prolonged, have delayed until the eighth year of peace a reduction of public salaries, an adaptation of government payments to the augmented value of the money in which the payments were made? Is it not more likely that he would have long since anticipated the result of the general change, and have given, in his own case, a decided example of what he would have exacted from others? Farther, is it probable that in peace he would have adhered blindly to the financial routine pursued during war, without attempting some measure, founded on the course of circumstances since 1814, — the evidence of our increasing numbers, — the prospect of tranquillity on the continent, — the conviction annually gaining ground among ourselves, that a state of war is as contrary to policy as to humanity, and, from our growing power, far less

necessary for defence than when France was so preponderant?

If ministers are open to the charge of deficient vigour in finance, in what manner shall we characterize the conduct of their parliamentary opponents? On their part there existed no motive for reserve, in regard to public distress; no dread of disseminating alarm, by the proposition of change; yet the investigations of most of the Opposition members have been confined to insulated points, their objections to specific grants. Where, in the long list of those who opposed the war, did we find a speaker capable of giving the House or the country a distinct conception of the effects of our expenditure on the national prosperity? Where, on the part of those who have combated the measures of ministers since the peace, do we find a comprehensive view of our financial situation, the suggestion of any measure of a new or of a general character, adapted to our present circumstances? To what shall we ascribe this deficiency of resource, this scanty measure of statistical knowledge on both sides of the house? To a cause to which we have owed no small share of our political disappointments in the present age—an education on the part of our representatives very little suited to their functions as men of business. Of the years given at our universities to the ancient languages, a part were better bestowed on modern history and political economy; or, if classic ground is too sacred to be touched; if the time thus applied admit of no diminution, it is perfectly clear that the labours of our public men, when in Parliament, should be modelled on a new plan. To give a cursory attention to a multiplicity of topics, leads to a knowledge very little beyond that of first impressions: to obtain a satis-

factory conviction, to place our opinions on a firm basis, it is indispensable to make a selection, to restrict the objects of enquiry, and to give a long continuance to our research and reflexion on the prescribed themes. It is the want of this caution in literary labour, and, in some measure, in professional pursuits, that so often causes the waste of promising parts on the southern shore of the Channel: it is an observance of it that in Germany gives distinction to so many men apparently less brilliant. Looking round among ourselves, and extending our view to men of eminence generally, commercial as well as professional, what else than this limitation of object and perseverance in pursuit, do we find to form the basis of such characters, and to distinguish them from the credulous multitude, from those who listen with ready acquiescence to every plausible assertion? If the habits of our representatives are different, if they unfortunately betray the absence of such discrimination and perseverance, ought it to be matter of surprise, that delusion should have prevailed among them during so many years: that a temporary rise of prices and increase of activity, should have been mistaken for a permanent augmentation of national wealth; and that the unwelcome discoveries of late years, the *finale* of which is no less than a suspension of their incomes, should have come on them by surprize?

CHAP. IV.

Our Currency and Exchanges since 1792.

HAVING now traced the fluctuations in the price of commodities, and in our productive industry during the last thirty years, we proceed to a topic closely connected with the former—the variations in our continental exchanges and value of our currency. In this, one of our chief objects will be to trace the operation of our subsidies, and of our purchases of corn on the occurrence of deficient harvests, these being the causes which mainly affect our foreign exchanges, and are productive of great and rapid fluctuation. They are in general demands both of large amount, and of sudden occurrence, superadded to our customary disburse, and requiring to be paid before time can be given to our merchants and manufacturers to prepare and send abroad an equivalent amount in commodities. This chapter will accordingly comprise,

A historical sketch of our continental exchanges;

The effects of the exemption of the Bank from cash payments;

The questions of depreciation and over-issue;—and, lastly,

The amount of financial aid derived by us from the Bank Restriction Act.

Historical Sketch of our Exchanges.

From 1792 *to* 1797.—In the first year of the war our participation in the contest produced little effect on the exchange, in consequence of our aid being furnished less in money than in troops and military stores. Next summer (1794) a sudden depression was produced by the remittances commenced for the Prussian subsidy; but it ceased as soon as it became known that that power, a far less zealous ally in those days than subsequently, was not likely to fulfil its engagements. In 1795, circumstances became very different: our troops had been withdrawn, our contribution to the allied cause was made, in a great measure, in money, and an unfortunate deficiency in our harvest forced us to make large importations of corn. A balance from commercial payments began thus to be added to the remittances of government, and the result was a considerable fall in the exchange, bank notes, the currency of England, becoming inferior in value by five per cent. to the metallic currency of the continent. This difference was of serious moment to the bank, and obliged them to limit greatly the discount of mercantile bills, under an apprehension that the notes issued for such discount would be presented again for specie, and the latter exported to the continent. Of the distress caused to merchants by this limitation, those only can judge who witnessed the pecuniary difficulties of 1795 and 1796, or who have had access to read in the parliamentary papers the anxious correspondence of that date between Mr. Pitt and the bank directors. At one time (November, 1795) the price of gold

purchased in bank notes, had risen to eight per cent. above its coinage value, and necessitated a farther and most distressing reduction of bank paper. In the autumn of 1796, a better harvest delivered us from one cause of impoverishment; but towards the end of that year, and the beginning of 1797, distrust and alarm were renewed by a threatened invasion from France. The failure of several country banks having unluckily occurred at that critical moment, the consequence was a run on the other country banks, and a great drain of gold from the bank of England. In vain did the directors resort to their hitherto unfailing expedient, a reduction of the quantity of their notes: the evil was new and peculiar; the drain continued without a prospect of abatement, when, after bringing down their circulation to nearly 8,600,000*l.* and communicating their situation to ministers, the directors received, on the 25th February, 1797, the well-known injunction from the privy council, to suspend all farther payments in cash.

This order, limited at first to a few weeks, was soon after prolonged to the end of the current session of Parliament, and eventually to the opening of the succeeding session. In the interval circumstances became more favourable, corn was abundant, our continental subsidies drew to a close, our exports of merchandise were large, the exchange rose, and specie flowed into the country from causes very similar to those which had lately made it flow out. The bank was now in a state to resume cash payments; but Parliament finding that no inconvenience had resulted from the suspension, determined to adhere to it, and passed resolutions which made exemption from cash pay-

ments be considered our settled policy during the remainder of the war.

From 1797 *to* 1802.—The year 1798 was more than usually prosperous, being marked by a favourable season at home, an exemption from the burden of subsidies abroad, and by distinguished success in our naval operations. Confidence being now restored, money became more rapid of circulation and comparatively plentiful. The succeeding year, however, presented a very different spectacle: Austria, encouraged by a British subsidy and the co-operation of Russia, took the field against France, and hardly did intelligence arrive of the formation of this second coalition, and of an engagement for a double subsidy, when our continental exchanges began to bear the mark of rapid declension. The summer of 1799 was wet, and, as in 1796, it unfortunately happened that large purchases of corn were necessary at the time of the greatest pressure of foreign expenditure. Such continued our situation until the summer and autumn of 1800, when the successes of Bonaparte in Italy, and of Moreau in Germany, brought our subsidies to a close; but the calamity of a deficient harvest had again taken place in 1800, and raised the price of corn during that and the following year to an unexampled height. The total value of our corn imports during 1800, 1801, and part of 1802, was declared in evidence before a Parliamentary committee to be no less than 15,000,000*l.* sterling.

Of all the trials our money system had yet experienced, this was the most severe; and it was accordingly in 1800, that the effects of a non-convertible paper became distinctly visible in the state of our exchanges. The wants of the mer-

chants drove them to the bank for discounts, and their demands were supplied with a confidence which the directors durst not have exercised had they been liable to pay in specie. This accommodation, far from beneficial in its remote consequences, served at the time to lessen to the public the evils arising from the subversion of the exchange, and the subsequent depreciation of our paper (between three and five per cent.) was hardly perceived, either by us or by foreigners. The charge most open to observation was in the materials of our currency: our guineas had now, for the most part, gone abroad, and our small note circulation, insignificant during 1797, 1798, and part of 1799, became augmented in 1800, 1801, and 1802, to four millions, exclusive of the small notes of our provincial banks.

From 1803 *to* 1808.—The peace of Amiens was too short to admit of a repeal of the Restriction Act, and on the renewal of war, all idea of repeal was relinquished, a continuance of the suspension being considered an essential part of our policy. Unattended by continental subsidies, or by the necessity of corn imports, the years 1803, 1804, and part of 1805, passed over without any pecuniary pressure; and when, in the latter part of 1805, the formation of a new coalition produced a sudden revolution in the exchange, the day of Austerlitz, so disastrous in other respects, dispelled the cloud that was gathering over our financial horizon, and showed in the distance the suspension of our continental remittances. War ensued between Prussia and France, but that contest took place at a time (1806) when we had a ministry sparing in their advances to our continental allies: the

exchange was not seriously affected, and after the peace of Tilsit (July 1807) began visibly to recover.

Four years of the war had thus passed without any material inconvenience from the non-convertibility of our bank paper, and its depreciation, still unknown to the public, had been injurious only at intervals. But we are now arrived at a different æra; a period when our hatred of Bonaparte, the confidence inspired by our decisive superiority at sea, and the influence of enthusiastic counsellors at home, made us forget calmer considerations, and join in a general call for a system of vigour. The sufferings of several great branches of our commerce; the stagnation of our East India trade;* the progressive sinking of West India property; the diminished profit of ship owning;—misfortunes arising chiefly from heavy taxes and increased expence, were ascribed by many of the distressed parties to the competition of the Americans. Commercial jealousies have never been inactive: the Transatlantic navigators became in our eyes, what the Dutch had been in those of our ancestors under Cromwell and Charles II.; and our merchants had no great difficulty in persuading a ministry little versed in the sources of national wealth, that when neutral navigation should be controlled, the continent must draw its supplies from England. Hence our Orders in council of November, 1807, orders issued with so much ardour, with such confidence of a favourable result, that our government paid no attention to the singular fact, that the intercourse we were so anxious to control, was, in the opinion of our enemies, highly advantageous to us; for Bonaparte had, almost at the same moment, intimated to the American ambassador at Paris, his

intention to prohibit it, declaring that "all maritime commerce tolerated on the continent, whether through Americans or others, must turn to the advantage of England." These remarkable measures, joined to an embargo adopted by the American government, produced an almost complete suspension of intercourse between the United States and Europe, during 1808; the first time that such had been the case during twenty-five years.

The stoppage of the American navigation is, we believe, the greatest error on record in mercantile history. Our trade with that country which, on the acknowledgment of its independence in 1783, we considered as wrested from our grasp, had proceeded in a *ratio* of continued increase, affording both advantage to the parties engaged, and the most gratifying lessons to those who, studying in the closet the origin of national prosperity, are enabled to discover how often the real are at variance with the apparent causes. This increase showed not only the inefficacy of political antipathies in impeding commerce, and the possibility of reaping benefit from our former colonies, without the charge of defending them; but the still more important truth, that the greater the freedom of the trade of the Americans, the more active their intercourse with France, Holland, and other countries, the greater the advantage arising to us. In what manner, it may be asked, was this result produced; a result so contrary to the tenets of the mercantile theory, of the colonial system not of this country only, but of all Europe? From causes of which the explanation, at first somewhat complicated, becomes when examined, sufficiently easy and convincing—the increase of American capital consequent on unfettered trade, and the

direction of a larger share of it to the purchase of our manufactures. Our exports to the United States amounted in 1805, 1806, and 1807, to the very large sum of 11 or 12,000,000*l.* sterling, while our imports from that country (Seybert's Statistical Annals, pp. 137, 155) did not exceed 7 or 8,000,000*l.*: the remainder (Baring on the Orders in council, p. 155) was remitted to us in money, or, what is the same thing, in bills of exchange from the continent of Europe, being the proceeds of tobacco, cotton, rice, and other American products sold there. The continent, feeble at that time in its stock of manufacture and means of giving credit, could not supply the Americans with merchandize equal to more than half the articles which it imported from them; and the result was the transmission of the proceeds to this country, a course which supplied us with funds for our continental expenditure as regularly as the packets crossed the narrow seas. Such was the trade stopped by our Orders in council; a measure which, persisted in with blind pertinacity from year to year, drove the Americans first to the temporary expedient of an embargo, and afterwards to the establishment of manufactures in their own country.

From 1808 *to* 1814.—This stoppage, sufficient of itself to produce a rapid fall in the exchange, was unluckily coincident in point of time with a heavy drain of money to Portugal and Spain, in support of the contest with France. From the Appendix to the Report of the Bullion Committee (p. 252) it appears that nearly three millions sterling were sent in specie to the Peninsula in 1808. Next year neutral intercourse was, in a great

measure, resumed, and the hazard of pecuniary embarrassment would have been less serious, had we not unfortunately been visited by the other great cause of pressure on our foreign exchanges, a deficient harvest. It became indispensable, therefore, to import corn at an unfortunate moment; at a time when, from other causes, our bank notes were at a depreciation of twelve or fifteen per cent. And the sum paid to foreigners for corn in 1810 being very large, exceeding (see the return to Parliament in the following year) seven millions sterling, our exchanges fell so as to bring our bank paper more than twenty per cent. below bullion. This fall took place some time after the public attention had been drawn to the subject by the Report of the Bullion Committee; and, great as it was, it would have been still greater, had not the abundant harvest of 1810 come most opportunely to our relief.

The autumn of 1810 was the first season in which the decrees of Bonaparte against our intercourse with the continent were actually carried into effect. He had then brought his war with Austria to a close, secured himself by an alliance with that power, and conceived, from the fall of our bank paper and the multitude of our mercantile failures, the hope that a vigorous enforcement of his decrees would complete the measure of our embarrassment. Hence, in the winter of 1810, the general seizure of British shipping in the Prussian harbours; hence also the ridiculous measure of burning lots of our merchandize in his seaports.

In 1811 our corn imports were inconsiderable; but the operations of neutral commerce were much cramped, our remittances to the penin-

sula were large, and our exchanges extremely low. The same causes operated with increased effect in 1812, the year that our differences with the United States unfortunately terminated in war. Happily, towards the end of that year, the result of the Russian campaign opened a cheering prospect in the political horizon; but this prospect was remote; a great struggle was still necessary, and the campaign of 1813 required exertions in Spain, and aid to our allies in Germany, on a scale of unparalleled magnitude. By this time our metallic currency was exhausted, and the specie bought up for the cause of the continent, was paid for by government in bank notes, at the enormous premium of twenty-five or thirty per cent. Such continued to be the difference between paper and coin, until the overthrow of Bonaparte in April, 1814, after which the difference diminished to ten, and even to eight per cent. His return from Elba in 1815, and the vast preparations forthwith made on the continent by us and our allies, again lowered the exchange to twenty, and even twenty-five per cent., a fall which, after his second overthrow, disappeared with a rapidity that seemed destined to exemplify the arguments of the anti-bullionists; of those who maintained that the depreciation of our notes arose not from over-issue, but from continental demands.

Tabular sketch of the principal demands on our currency for continental subsidies and purchases of corn since 1792.

Years.	*Events Political and Commercial.*	*State of our Exchange with the Continent.*
1792.	Peace.	A little above par.
1793.	Great mercantile failures: limitation of our paper currency.	A considerable rise in the Exchange.
1794.	Confidence reinstated.	Exchange nearly as in 1792.
1795.	Subsidy to Austria.	A fall at first small, afterwards considerable.
1796.	Subsidy continued, & an importation of corn.	Exchange continues very low.
1797.	Reduction of our paper currency; great scarcity of money.	A considerable rise in the exchange; large imports of specie.
1798.	Neither subsidy nor corn import.	Exchange continues in our favour.
1799.	Renewed subsidies followed by a deficient harvest.	Fall of the exchange after Midsummer.
1800.	Continuation of subsidy to Austria; great importation of corn.	Continued depression.
1801.	Subsidy suspended, but corn import continued.	Continued depression.
1802.	Peace.	Exchange reinstated.
From 1802 to 1808.	No large importation of corn, except in the summer of 1805; nor any subsidy of magnitude, except in the autumn of that year.	The exchange little affected during these six years, except in the autumn and winter of 1805.
From 1808 to 1814.	War in Portugal and Spain throughout the whole period; war in Germany in 1809; in Russia in 1812, and	The fall in the exchange great and permanent, beginning at eight or ten per cent. increasing to twelve, fifteen, twen-

Years.	*Events Political and Commercial.*	*State of our Exchange with the Continent.*
	in Germany & France in 1813 and 1814. Corn purchases to a great amount in 1810. The Americans excluded from intercourse with the continent after 1808, but more particularly after 1810.	ty-five, and eventually to nearly thirty per cent.
1814.	Peace after 1st April, and a great increase in the export of our merchandize, but a continuation of remittances for subsidies and corn imports.	A considerable reinstatement of the exchange, leaving it from eight to ten per cent. against England.
1815.	In April, May, June, renewal of war.	Fall of the exchange twenty and twenty-five per cent.
	In August and September peace; cessation of corn imports; renewal of American intercourse.	The exchange recovered and brought first within twelve per cent., afterwards within five per cent. of par.
1816.	No subsidy or import of corn.	Exchange nearly at par.
1817& 1818.	Large imports of corn.	Exchange again lowered three, four, five, and eventually six per cent.
1819, 20, 21, & 1822.	No import of corn or heavy continental charge.	Exchange rises first to to par, and continues somewhat above par.

Distribution into Periods.

The years in the preceding table may be classed into periods, each marked by distinct features. The first, from 1793 to 1797, preceded the exemption act: after that act came an interval of two years, during which, from a concurrence of

favourable circumstances, no injurious effect took place in regard to the exchange. A very different scene was opened by the transactions of the three years between the summer of 1799 and that of 1802; years of heavy continental demand and of great pressure on the exchange. It was, however, reinstated by the peace; nor did it experience any pressure of magnitude or long continuance in consequence of the comparative lightness of such demands, during the long interval that elapsed from the autumn of 1802 to that of 1808. This period of six years is perhaps the most remarkable of the whole, exhibiting the possibility of carrying on a war of great expence, without a material derangement of our currency, so long as we left to trade its free course, and abstained from great continental advances. It was, doubtless, this long enjoyment of financial ease, this apparent stability of our money system, that inspired our ministers and bank directors with over confidence, leading the former to their unfortunate measures against the American trade, and impressing the latter (Evidence, Bullion Report, pp. 89, 96, 144) with the notion that their issues of paper had no effect on the exchange. Hence, in a great measure, the depreciation that prevailed during the five years from 1809 to 1814.

Such were the principal events that operated on the exchange during the war: we shall next endeavour to exhibit their effects in a collective form.—What, it may be asked, was the amount of our corn imports during the war? In computing these, it is fit to bear in mind that we had become previously to 1793, a corn importing country, and that a certain quantity might be termed our habitual import; an import not affecting the ex-

change, but paid by a corresponding export of our produce or manufactures; our coals, our tin, our hardware, our cottons. We dwell, therefore, only on the years of scarcity and extra import, which, during the war, were 1796, 1800, 1801, 1802, 1805, 1810. After deducting from our total supply in these years our average annual import, there remains, as extra import, a quantity of which the cost, in the six years collectively, was not short of 25,000,000*l.*

Next as to the amount of our subsidies: the total during twenty-one years, from 1793 to 1814, was between 50 and 60,000,000*l.*, forming with the corn purchases, an aggregate of 80,000,000*l.* Of this great sum, what proportion was sent abroad in the shape of specie? Of the subsidies, the chief part was supplied in clothing, arms, stores; of our corn purchases, the larger share was necessarily paid in money. If, without attempting nicety of calculation, we assume the export of specie for these purposes during the whole war at 30,000,000*l.*, we shall be at no loss to account for the disappearance of our metallic currency, and of such supplies of bullion as found their way to this country.

Since the peace, the different periods, though less marked by extremes, have been equally deserving of attention, as illustrative of our view of the causes of fluctuation. In the autumn of 1814 our war charges ceased, our exports had free access to the continent, and the exchange altered from twenty-five to ten, and even eight per cent. only, against us: it would have risen farther, had not our corn imports been large. But no sooner did the return of Bonaparte from Elba revive the alarm of war and subsides, than the exchange

fell to eighteen, twenty, and twenty-five per cent.; a depression from which it recovered as suddenly after the battle of Waterloo, and the prospect of a speedy peace. During 1816 there was neither corn import nor subsidy; the American trade with the continent was open, and the exchange arrived at par, at which it for some time remained; but the deficient harvest of that year necessitated in 1817 corn imports on a very large scale, reduced the exchange, and would have completely overset it, had not all the counteracting causes of free trade been in operation. By their aid, we were enabled, during 1817, 1818, and the early part of 1819, to pay for an unexampled amount of foreign corn, (above 20,000,000*l.* as appears by the Appendix to the Agricultural Report of 1821, p. 396) without a greater depreciation than four, five, or six per cent. Since 1819, these drains having ceased, the exchange has been steadily in our favour.

Contradictory Opinions on the Bullion Question.

We have now brought to a close our historical sketch, and shall proceed to make some remarks on the very opposite doctrines held in regard to our paper currency, by the adherents of Ministry and Opposition; or, to speak more correctly, by the adversaries and supporters of the Bullion Committee of 1810. The former are still unwilling to admit the existence of depreciation in our bank paper, even in the latter years of the war: the latter, equally unreasonable, refuse to trace such depreciation to the extra demands made on us for subsidies and corn purchases, and insist that it originated in over issue on the part of our

banks; a singular discrepancy this, in a country of free discussion, after the direction of so much reasoning to the subject, and the lapse of a so many years replete with commercial and political information. This discrepancy implies, we apprehend, more than the absence of impartiality: it gives cause to suspect in one party an inadequate knowledge of the principles of productive industry; in the other an insufficient attention to the evidence of facts. In attempting to point out the manner in which both have deviated from impartial inquiry, and exceeded the limits of fair inference, we shall proceed as much as possible by a reference to documents, describing first the nature of our currency previous to the war, and the effect produced on it by sudden drains for continental disburse: while our next and more intricate task will be to define the results of the exemption act, the operation of which has, from very different views, been considerably over-rated by each party. The bullionists attribute to it the whole, or nearly the whole, of the enhancement of commodities during the war; while their opponents, regarding it as no less potent in good, than their antagonists in evil, are accustomed to speak of it as the grand engine of our financial support; both sides forgetting that it was nearly coincident in point of time with a change in our financial system, of much larger operation; we mean the increase of our war-taxes and the reduction of our loans.

Our money system previous to 1797.—The nature of our money system will be best understood by a comparison with that of neighbouring countries. The amount of money circulating in France, has, since the days of Necker, been computed, or

rather guessed at 80,000,000*l.* sterling; the amount in England and Scotland, not ascertained with more certainty than that of France, is supposed (Bank Committee Report, May, 1819,) to be between 50 and 60,000,000*l.* The currency of France is almost entirely metallic: there are in that country no banks of circulation, except the bank of Paris, and none of its notes being below 20*l.*, paper forms a very small part of the circulating medium. A foreigner may reside many years in a provincial town in France without seeing a bank note, and may occasionally hear the natives speak of having seen them as of a circumstance somewhat unusual and remarkable. France is consequently prevented from saving interest on 40 or 50,000,000*l.* of metallic currency, the place of which, were the banking system general, might be supplied by paper. The case of France is, in a great measure, that of the continent at large, while in this country on the other hand, the saving arising from bank paper has been enjoyed, in a greater or less degree, for more than a century.

In what manner was this saving accomplished before the exemption from cash payments in 1797? A bank of good character issued notes to an extent of four or five times the amount of the gold kept in its coffers, a circulation of 100,000*l.* being maintained in ordinary times without a greater reserve or dead fund than between 20 and 30,000*l.*, leaving above 70,000*l.* to be vested in productive securities, such as short-dated acceptances, exchequer bills, or the public funds, all possessing a characteristic indispensable to a banker, that of speedy convertibility into cash. Hence an income to the banking-house of 2 or 3,000*l.* a-year arising from perfectly fair sources; its credit and the su-

perior convenience of paper to metallic currency. This saving, considered in a general sense, was such as to form a national object, England having, even previous to the exemption act, economised the interest on a sum probably exceeding 20,000,000*l.* of its currency.

Such was the state of our money system in the early years of the revolutionary war, when the confident character of our ministers and the surprising exertions of France led to an unexampled extension of our continental expenditure. It became particularly heavy in 1795, and unfortunately a deficient harvest in that year necessitated in 1796 large purchases of foreign corn, augmenting greatly the demand on the bank for metallic currency: hence a reduction of its discounts to merchants, a reluctance or rather inability to make the advances required by government, and a general embarrassment in the money-market. Under such circumstances, nothing could be more natural to all parties than to look for relief in exempting the bank from the necessity of paying cash for its notes; a measure that would enable it to continue its customary accommodation to trade, while government should meet the wants of our allies with our spare coin and bullion. The experiment, however, was too bold and novel to be attempted until the continued call for guineas in February 1797 left no other alternative. It excited both surprise and alarm, but was divested of a part of its hazards by the known solvency of the bank, the acknowledged discretion of those to whom the new privilege was to be entrusted, and by the fact that the personal interest of a director of the bank of England is connected in a very insignificant degree with an increase of the income of that establishment.

Effects of the Restriction Act.—This decisive measure, which ought rather to be called an exemption than a restriction act, was limited at first to a few months, and the exchange being favourable during 1797, the bank made ample provision by the autumn of that year for the resumption of cash payments. But that step being deemed unnecessary by government, the exemption assumed the character of a permanent war measure, and enabled the bank to give a greater latitude to its accommodation both to merchants and the treasury. What were the principal characteristics of our money system in the succeeding years? A relief from such difficulties as those of 1796; an increase, at first small, afterwards considerable, and eventually very large, of the amount of bank notes in circulation. Then as to the value compared to coin or bullion, there was, after 1799, a fall (about 4 per cent.) in the value of our notes, which after long remaining stationary, was followed, after 1809, by a much greater fall. Lastly, the rise in the price of articles, though it *preceded* the exemption act, and originated consequently in other causes, continued during the whole period of the non-convertibility of our bank notes, and was particularly remarkable after their greatest depreciation. These facts are admitted by all parties; the difficulty is in tracing them to their origin, and in discriminating how far the exemption act was or was not instrumental in producing them.

The circulation of money between wholesale dealers is in general rapid, and the writers of the Bullion report, aware that the amount of bank notes in circulation had been materially increased as well as that the scale of discounts (*Report*, p. 26.) had been greatly enlarged, naturally became

impressed with the idea of over-issue, and sought in it almost exclusively the origin of the great rise that has taken place in our prices during the war.

But this opinion is liable to serious objections: first, the amount of Bank of England notes in circulation affords, as we have more fully shown in the Appendix, no satisfactory criterion for estimating the increase or decrease of our whole circulating medium. In the next place the means possessed by the Bullion Committee of appreciating the effect of the various other causes of enhancement were very limited: at that time (1810) we had not felt the transition to peace, nor been enabled to draw a satisfactory comparison between the state of our productive industry in peace and war. Few if any of those who wrote and spoke most confidently on the subject, possessed an accurate knowledge of the increase of our productive industry consequent on the war, or even of the increase of our population. Had they been aware of these vital truths, had they known how materially prices were affected by causes altogether distinct from our paper currency, such as the demand for men for the public service, and the insufficiency of our growth of corn to our consumption, the conclusions of the Report would have been materially different. The various facts and arguments adduced in our preceding chapters, show how large an addition to our currency was indispensable to transact our extended business, and to correspond with our augmented prices; and when to this is added a reason, different in its nature, but equal in its operation — the inducement after 1799 to export our metallic currency to the Continent, we shall find ample means of accounting for the increase of our bank paper.

What then were the results distinctly attributable to the exemption act; and, in the first place, what was its effect on the rules followed by the bank of England in regard to discounts? Its effect was highly beneficial to that corporation: the directors were relieved by it from the necessity of watching continental exchanges, from the apprehension of a drain of metallic currency on the approach of a subsidy, or a large import of corn; the rules of discount became greatly simplified, and, after some years, the directors considered themselves at liberty to issue notes to whoever tendered bills possessing the requisites of solidity and shortness of term, along with the less easily ascertained characteristic of being for a *bonâ fide* transaction.

In regard to country banks, the provision made by the act, if not properly an exemption, was an accommodation of great importance. These banks were relieved from the necessity of paying cash if they tendered bank of England notes, a supply of which was attainable without the uncertainty and loss so frequently attendant on the acquisition of coin. A stock of notes could be procured at very short notice in exchange for the mercantile acceptances or other securities in which the funds of country banks are generally vested; and the latter, thus relieved from much expense and anxiety, were enabled to lessen greatly their reserve fund, and consequently to extend their discounts.

Such were the results of the act in regard to banks: we proceed to those which affected the public.

If, for the sake of calculation, we assume that in 1796 the total bank paper in circulation in the kingdom was 25,000,000*l.*, and that 7,000,000*l.* of coin were kept in depôt, we may safely infer that

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of those 7,000,000*l.* two-thirds became, in the course of a few years, disposable for the purpose of discount. Now, if from the rapidity of our transfer, a million of money suffice to circulate twenty or thirty times as much of merchandize, the change, arising from the addition of four or five millions to our currency, could not be otherwise than great in its degree, and extensive in its operation. Continental demands arose in 1799, and were carried during three years to an unexampled height: these the exemption act enabled us to meet, not without a depreciation of our currency, but without pecuniary straits. It counteracted also, in concurrence with the war taxes, the tendency of our enormous expenditure to raise the rate of interest. What, it may be asked, was the current or average rate of interest previous to 1793? If we form our computation, not on the price of stocks, which from artificial causes fluctuated greatly, but on the general transactions of merchants, bankers, and capitalists, we shall find it to have been between four and five per cent.; and if we apply a similar mode of calculation to the war, we shall have reason to fix the average rate of interest between five and six per cent., the charge of commission and other small additions familiar to persons in business (Evidence to the Bullion Report, p. 124.) accounting for the excess above the statutory limit. The effect of a war, the most expensive ever waged, was therefore to raise interest only one per cent.; an effect evidently disproportioned to the unexampled calls made on our national capital, and the cause of which is, doubtless, in a great measure to be sought in the reduction of the charge of banking consequent on the exemption act.

The Questions of Depreciation and Over-issue. — We now come to the most intricate question in the history of our currency — the existence or non-existence of over-issue, — a question maintained in the affirmative as confidently by one portion of the public, as it is denied by the other. On the part of the advocates of the bank, the great argument is, that the public possessed, after 1797, the same power of limitation as before, both in withholding bills for discount, and in paying over their notes to the Treasury, an absorbent to the extent of 1 or 2 000,000*l.* a week. Their antagonists, without denying this, which in fact cannot be controverted, appeal to the state of the bullion market; to the acknowledged inferiority of bank notes; and to the formidable argument, that a contraction of the amount in circulation would, at any time, have raised their value, and, if carried sufficiently far, have brought them on a par with coin.

Such was the substance of the reasoning adduced in the various speeches and publications on this subject in 1810 and 1811: such are still, in a great measure, the tenets of the adverse parties; each interpreting, in conformity with their own theory, the fluctuations that have occurred since the peace. No speaker in parliament, no writer on trade or finance has, as far we are aware, attempted to reconcile arguments at present so strongly in contradiction, or sought a solution of the problem, while he admitted the substance of the allegations on either side. In attempting this, we shall begin, not with the question of over-issue, but with that of depreciation, both as less complicated in itself, and as explanatory of the degree to which over-issue, if such be the proper term, eventually took place.

We set out by explaining the manner in which depreciation was incurred abroad. If we take, as an example, a campaign in the peninsular war, and suppose that in a year, such as 1811 or 1812, in which our expenditure there exceeded 10,000,000*l.* there was supplied to the extent of nine-tenths in clothing, arms, stores, and specie, exported from England, leaving 1,000,000*l.* to be defrayed by bills on our public offices; in what manner, we ask, could the receivers of these bills in the Peninsula turn them to account? There was not there, as in this country, an excise-office, a custom-house, a receiver for the county, nor, after the stoppage of the American trade, were there merchants, to whom they could be transferred at par or at a slight discount. If remitted to England, these bills could not purchase bullion; and if they procured English merchandize without a perceptible loss, the quantity of such was beyond the demand of the peninsular or any continental market, limited as it was in these years by Buonaparte's anti-commercial decrees. The unavoidable consequence was a fall in the value of our bills, in other words, of the bank notes in which these bills were paid, exemplifying the doctrine of Dr. Smith, or rather the self-evident truth, that whatever causes delay the payment, or restrict the circulation of a currency, necessarily produce depreciation, the ratio of which must increase with the pressure of these causes.

This course of reasoning will receive confirmation from a reference to our preceding historical sketch, as well as from distinguishing the degree of depreciation in different years. We find the latter great or small according as the non-convertibility of our paper was put to the test by continental

demands; small in years such as 1803 and 1804, when the war was merely maritime; more considerable in the case of continental operations, as in 1805 and 1806; serious, when to these operations was joined, as in 1800, the necessity of corn purchases; and greatest of all when, as in the years following 1809, there existed the double drain of subsidy and corn import, without either a metallic currency, or a free neutral traffic to interpose their countervailing effects.

We are next to trace the effect of depreciation abroad on the value of our currency at home. The rise of price, after 1808, was most apparent in the commodities for the supply of which we depended on the Continent. Of these corn formed an example on a great scale, and, on a smaller, wool, timber, hemp, tallow, to which may be added a few articles insignificant in amount but illustrative of our proposition, because they were wholly supplied by the Continent, such as cork, antimony, and others, the price of which rose rapidly after 1808. In our hardware, cottons, and woollens, branches in which the great constituent parts of price are domestic, the rise was far less apparent; but that they were affected, and would, had the war continued, have been affected much more, there can be no doubt; whatever enhances bread being of so serious and extensive an operation, as to be felt in every part of our productive industry.

The next point to be ascertained is the *quantum* of the addition to our prices, caused by the non-convertibility of our currency; in other words, the degree of depreciation produced at home. And here it would evidently be unfair to draw our inferences from a short interval, such as the latter months of 1805, when our exchanges were de-

pressed by a sudden continental demand: the correct and impartial mode is to class the years of the exemption by periods, beginning with the twelve years that elapsed from the early part of 1797 to that of 1809, a time, during which the inferiority of our bank notes to coin, amounting sometimes (see Mr. Mushet's tables) to eight or nine per cent., but generally limited to two or three per cent., may be reckoned at an average between three and five per cent. But as this inferiority refers to continental purposes, and as a considerable interval elapsed before the depreciation became so great in regard to payments at home, it seems enough that we assume *three* per cent. as the average rise in our prices, consequent on the exemption act, until 1809. After that year, our financial horizon became obscured, and the tone of the calculator must be altered. If after 1809 twenty-five per cent. was the average depreciation of our bank notes abroad, and if at home we make the same allowance as before, an allowance founded on the time which it takes to adjust prices generally to an alteration in the value of a currency, particularly where that alteration is not apparent, we shall probably find *fifteen per cent.* a fair representation of the rise of prices, as far as caused by the non-convertibility of our paper, during the five last years of the war; in other words, that 115*l.* of our bank paper was required to make those purchases, or transact that business for which 100*l.* of it would have been sufficient, had there been no exemption from cash payments.

These conclusions will, we trust, be found to give a definite form to the question of over-issue. All will admit the general proposition, that a rise of prices requires an augmentation of currency; and the advocates of the bank will hardly deny that

rise of prices at home, consequent on the depreciation of our paper abroad, necessitates such increase, as much as if it proceeded from taxation, scarcity of corn, or any other cause. It is in that sense, therefore, that we understand the over-issue, or rather the additional issue of currency, consequent on the exemption act; ascribing to that act about one-fourth of the rise (in all sixty per cent.) that took place in our prices during the twenty-one years of war from 1793 to 1814. That act, without being a direct cause of enhancement, facilitated and continued the enhancement proceeding from other causes: it supplied currency in proportion as our dependence on the Continent produced a rise of prices; and it prevented the re-action which, under other circumstances, would have ensued, as in 1796, from a scarcity in our circulating medium.

Reasonable as this statement may appear, we hardly expect it to receive a ready assent from either party, in particular from the bullionists, who are accustomed to consider the irregularity of our currency as open to a far heavier charge, as productive of great enhancement without reference to our continental connection. But those who carry the charge farther than we have done, will find themselves involved in all the difficulty attendant on an attack of the stronghold of the advocates of the bank, viz., the argument that the public possessed the power of limiting over-issue. Of that power the exemption act did not and could not deprive the public: it contained nothing calculated to convey the means of converting currency into capital; means which many projectors about the middle of last century, fondly imagined to reside in banks, and the non-existence of which is so clearly explained by Dr. Smith in his account

(Book II. Chapter II.) of the failure of the Ayr Bank. Our notes were, after as before the exemption, nothing more than an instrument of circulation, and one too which continued to cost the holders nearly as much as prior to 1797. Obtained by a sacrifice of interest, it was important to every individual, whether a speculative or a regular dealer, to circulate them as quickly as possible, to retain them no longer than was necessary to accomplish a specific purpose.

The truth of this argument may, without much difficulty, be admitted, and the charge of converting currency into capital relinquished: still there may remain a portion of doubt founded on the increase of discounts and on the well-known truth that projectors do not regard the sacrifice of interest if it can procure them funds for their favourite schemes. True; but this has been the case in all periods, in peace as in war, and the counteraction of it is to be sought in considerations wholly distinct from acts of parliament, in reasons which imperiously prescribe prudence to a banker, and forbid his discounting other than short-dated bills of undoubted character. Now these considerations remained in full force after the exemption act. The loss from a single imprudent loan would have been feebly compensated to a banker by the earning of his profit (always smaller than is vulgarly supposed) on twenty, thirty, or even forty transactions.

The opponents of the bank are, in general, political economists, and converts to the doctrines of Dr. Smith. It is incumbent on them, therefore, to point out in what particular mode the exemption act relieved bankers from the various hazards described by Dr. S. as attendant on their business,

and as restrictive of the amount of paper currency. Would not such an inquiry be likely to show that, while in regard to foreign countries, that act deprived our paper of its main support, at home its effect was of an indirect and passive nature; conferring the power, not of over-issue in the first instance, but of issue in proportion to that rise of prices which arose out of the circumstances of the war; the extension of our productive industry; and the depreciation of our currency abroad?

After these qualifications, we are ready to assent to much that is advanced by the bullionists, admitting that bankers were led by the exemption act, and by the flattering prospects of their customers during the war, to make advances which under other circumstances they would have withheld. They were, we believe, in very many cases persuaded to discount bills which were never paid, and to depart from their proper province by making a permanent advance on such securities as land or houses. The bank of England, in like manner, dispensed on various occasions with a rule to which they would otherwise have strictly adhered; we mean the conviction that the bills tendered for discount had been drawn for real or *bonâ fide* transactions. Such relaxation probably proceeded from commendable motives: from a wish to prevent the extension of bankruptcies in manufacturing towns, in particular Glasgow or Manchester, at seasons when a fall of prices, or the failure of some eminent house threatened to involve in insolvency hundreds of persons engaged in trade with inadequate capital. Still it must be admitted that the bank directors went beyond their province, and that these irregularities were productive of injury; all that we advance is that the nature of that injury was different from what the bullionists in general

imagine, consisting in a loss to the bank, or in an unavailing postponement of bankruptcy to the trader, but not in an *overcharge of our currency*. The notes issued, whether in town or country, whether on good or bad security, all found their way into hands whose interest it was to keep them as little time as possible; and any temporary over-issue was thus of short continuance. In fact, the more we examine the means possessed by the public of returning the notes on the treasury, or withholding discounts from the bank, the more we shall be satisfied that they are such as to render permanent over-issue impracticable; and if we make a deliberate summary of the facts of the case, we shall find them nearly as follows.

1. The exemption from cash payments was productive of a saving to our banks peculiar to this country, and enabling them to make advances at a rate of interest lower than that of any other country during the war.

2. Our dependence on the continent and the non-convertibility of our bank-paper were productive of its depreciation; but,

3. Neither that depreciation, nor our lower rate of interest, imply the existence of over-issue in any other sense than that of an increase of currency consequent on rise of prices, the extent of which, as far as regarded the effect of the exemption from cash payments, appears to have been about 15 per cent.

Such are the considerations which it seems necessary to address to the supporters of the bullion report: the advocates of the bank do not require arguments in detail, as they admit all that we have advanced, in regard to the effect of mercantile and political causes on the exchange. Their great error is in refusing to acknowledge depreciation:

in not allowing, that from the moment we declared our paper not convertible into the currency of the rest of the civilised world, we rendered depreciation possible, and that a postponement of the evil, or a mitigation of its extent, would necessarily depend on the nature of our connection with the Continent, on the degree to which our paper should be put to the test. Those who still feel a difficulty in believing depreciation to have existed at home, should begin by asking themselves whether, without the non-convertibility of our paper, depreciation would have existed abroad; or, if it had begun, whether it would have continued? If they refer to the evidence of Mr. Goldsmid, and others, before the Bullion Committee, they will find, that had our currency been of coin, or convertible into coin, 7 or 8 per cent. would have been the greatest difference that could possibly have taken place in the exchange even at the time of the anti-commercial decrees. Let them ask, in the next place, whether a reduction of the quantity of our bank paper would not at any time have raised its value, and, if carried a sufficient length, have brought it to a par with coin? And, lastly, had not a portion of our rise of prices during the war been owing to the state of our currency, is it not likely that the fall since the peace, instead of 40 per cent., would have been only from 20 to 30 per cent., as in the rest of Europe?

We shall now bestow a few paragraphs on an interesting, but hitherto unnoticed topic, in the history of our paper currency; we mean the question, whether, had the exemption act not taken place when it did, it would have been resorted to

at any subsequent æra in the war? This inquiry, brief as we shall make it, requires an attentive notice of our situation relatively to the Continent at particular periods.—The preliminaries of peace between France and Austria were signed at Leoben in April 1797, a few weeks after the exemption act, and though the definitive treaty (that of Campo Formio) was not concluded till the autumn, there existed little doubt of its taking place, and it is a well known fact, that, from several causes, money, in the course of the summer, became less scarce. This was also a time of naval success, and though the dread of invasion continued, we have the authority of the Bullion Committee (Report, page 27) that the Bank ought to have met an alarm of that nature by a liberal issue of their notes. Be this as it may, it seems extremely unlikely that at any time in 1797, after the preliminaries of Leoben, ministers would have adopted a measure so new and questionable as the suspension of cash payments.

The succeeding year was one of peace on the Continent, and of prosperity in this country. The renewal of operations by land in 1799, was a measure less of the French government than of us and our allies, a measure which, perhaps, we should not have adopted without the confidence inspired by the exemption from cash payments. In what manner did the renewal of hostilities affect the state of our circulating medium? For some time the effect was inconsiderable, but the case became very different after the failure of the harvest: the period of two years that elapsed from that failure, until the certainty of a favourable crop in 1801, would, without the exemption act, have recalled all the difficulties of 1796, and we by no means

venture to assert that ministers would have forborne a recourse to that measure.

The preliminaries of peace with France were signed in the autumn of 1801, and there ensued a long interval of ease in regard to financial and commercial affairs. Even in 1805, when we again roused the Continent to arms, and subsidised not only Austria, but Russia, the pressure on our exchange was temporary; for this was no season of indecisive warfare, of protracted operations: our allies had now an antagonist who brought a campaign speedily to issue; and who, at Ulm and Austerlitz, effectually relieved us from the pressure of subsidies. In 1806 and 1807, part of our allies continued in arms, but they were not supported by ministers on a scale productive of pecuniary embarrassment, and our corn imports were fortunately not of a magnitude to press on the exchange.

There thus elapsed a period of *seven years* without a recurrence of derangement in our continental exchanges; but a very different prospect was opened by the events of 1809; by our augmented expenditure in the Peninsula, and the necessity of large purchases of corn. Had our bank-paper been at that time demandable in cash, we should, doubtless, have experienced great difficulties, nor would the public, ardent in the cause of Spain, have hesitated to support ministers in any measure that promised an addition to our pecuniary means. There is at the same time, equally little doubt, that without the previous existence of the exemption act, and the confidence inspired by its till then successful operation, we should not have interfered with the freedom of American navigation: we would have studied

more carefully its effect on our resources, and have cherished it as a fund for our continental expences. Our ship-owners might have clamoured, and individual members of the cabinet might have been rendered converts to their views, but the opinion of the bank directors would have been hostile to such a measure; and the danger pointed out by the solitary voice of Mr. Baring (Inquiry into our Orders in Council) would have been brought before government with all the weight of that powerful body.

The next and concluding object of our inquiry is, to what degree did the exemption from cash payments increase to government the means of exertion on the Continent? By substituting at home paper for metallic currency, it enabled us to send abroad our gold coin, the amount of which, very differently as it has been computed, (Bank Committee Report, May 1819,) was, probably, not far short of 20,000,000*l.* sterling; — a most substantial aid, doubtless, but one which was, in a great measure, exhausted in the first three years of trial, 1799, 1800, 1801. From that time forward, the portion of gold coin in the country appears to have been comparatively small: at all events it was found quite inadequate to the demand in the second period of trial, 1809 and 1810, the exchange having fallen rapidly as soon as the pressure on it became considerable.

The extent of direct aid arising from the exemption act, seems accordingly to have been limited to the amount of our gold coin; but we should enter into a much wider field were we to calculate the augmentation of our financial means by the other results of the act, the comparatively moderate rate of interest, and increased facility of

discount. After every deduction for exaggeration, and after ascribing the greater share of our financial resources to the bold plan of raising the supplies within the year, there still remains a large amount referable to the effects of the exemption from cash-payments. Of the extent of aid arising from such a source, some idea may be formed by those who have visited the Continent, and observed how slowly productive industry advances in a country like France, where, even in peace, 6 or 7 per cent. is the current rate of interest.

This benefit we experienced without much alloy, until the five last years of the war, when the depreciation of our paper on the Continent caused a sudden increase of our foreign disburse, and some time after, an increase less sudden, but of greater amount and permanency, in our expenditure at home. The losses hence arising may, we believe, without pressing the point to an extreme, be carried to 100,000,000*l.*, and if we charge on the exemption act a large portion of the present distress of our agriculturists, conducive as that act certainly was, to the fluctuation in the value of money which has been, and will be productive of great embarrassment, until wages, salaries, and prices shall be accommodated to the new scale, it becomes a question, whether the amount of benefit derived from the exemption in the period preceding 1809 has not been balanced, perhaps more than balanced, by the loss and pressure of the subsequent years. This point, however, we have no wish to urge, and still less the speculative question, whether, without the aid derived from this act, our government would have carried on the war so long, or on so expensive a scale: our

object is statistical, not political; and in calculating the advantage or disadvantage of a great financial measure, we prescribe to ourselves the rule of reasoning on events as they actually occurred.

CHAP. V.

Agriculture.

We propose dividing this very important branch of our subject into three parts:

I. A historical sketch of our corn-trade, particularly since 1792; and the causes of the remarkable fluctuations of price.

II. The present situation and prospects of our agriculturists.

III. The question of a protecting duty.

SECTION I.

Historical Sketch of our Corn Trade.

The interference of our legislature with the export of corn dates from a very remote æra; but our notice shall commence from the reign of Elizabeth, a reign which, in its early years, exhibited corn at as low a price as at any period of our history, but became in its progress as remarkable for enhancement as the reign of George III. England was in those days, a corn-exporting country, if the name of export can be said to belong to a surplus produce hardly greater than that of a single county in the present age. In the beginning of the reign of Elizabeth (1562), export was permitted by act of parliament, whenever our prices fell to 10*s.* the quarter for wheat, and 6*s.* 8*d.* for barley and malt; prices remarkably

low, when we consider that our coin was of the same metallic value as at present. At this rate, however, they did not long continue; a considerable rise took place before 1570; and in 1593 the export limit was extended by act of parliament to 20*s.* for the quarter of wheat, and 12*s.* for barley and malt.

This doubling of price in the course of thirty years, has not a little embarrassed political arithmeticians: it is commonly attributed to the influx of metallic currency from the American mines before an outlet was found for it in India and China, but from our experience of the limited effect of such a cause in subsequent times, particularly since the late peace, we are inclined to lay no little stress on the general prevalence of war throughout Europe, from the middle of the sixteenth to that of the seventeenth century. Be this as it may, the enhancement continued progressive; for in 1623 the export limit was raised to 32*s.* the quarter for wheat, and 16*s.* for barley and malt. In the succeeding age, particularly under Cromwell, our markets were considerably higher, but the rise was in some degree nominal, our coin, though no longer debased by government, being deteriorated by clipping and filing, and brought, at times, no less than 20 per cent. below its legal value, an abuse not completely remedied till 1717.

Bounty on export. — In the reign of Charles II. the prices of corn declined, and though several acts were passed (in 1660, 1663, 1670), imposing a duty on foreign corn, their effect in our market was inconsiderable, because our growth equalled, or more than equalled our consumption. Prices accordingly did not rise, the agriculturists

complained, and the epoch of the Revolution was marked by a new refinement of legislation in their favour. The necessity of providing supplies for the formidable contest with Louis XIV., led government to contemplate a land-tax, and to offer as a *douceur* to the landed interest, a premium on export, which, accompanied by a prohibition of the import of foreign corn, implied a certainty of increase of price, and consequently of rent. The chief provisions of the act were the payment of a bounty of 5*s.* for every quarter of wheat exported, so long as our price, continued at or below 48*s.*, and 2*s.* 6*d.* for every quarter of barley or malt, so long as our home currency for that grain did not exceed 24*s.*

A deficiency of documents in regard to the extent of our tillage, prevents our tracing the effects of the bounty act: it doubtless stimulated production, and, under ordinary political circumstances, would, after creating a temporary superiority of demand to supply, have in some degree lowered prices; but the market was, during many years, kept up by causes not unlike those which followed in our day the French revolution, — war, and a more than usual prevalence of bad seasons. The proportion of the latter in the twenty years between 1692 and 1712, was not inferior to that between 1792 and 1812; and as our drain of men and capital for the war in these days, made no slight approximation to that of our late contest, there were wanting to complete the analogy of high price only two of the characteristics of our age, — a depreciated currency and an annual insufficiency of growth.

After the peace of Utrecht, the causes of fluctuation in our corn-market were much simplified,

and the half-century that succeeded presented the following results:

Average price of wheat computed by the Winchester quarter, from purchases made at Windsor for Eton College.

	£	s.	d.
For ten years ending with 1725 -	1	15	5
Do. - ending with 1735 -	1	15	2
Do. - ending with 1745 -	1	12	1
Do. - ending with 1755 -	1	13	3
Do. - ending with 1765 -	1	19	3

In what manner are we to explain so near an approach to uniformity of price during so long a period? By the maintenance of peace during thirty-five years out of fifty, and by an exemption, in general, from bad seasons. The case was the same with our neighbours, as appears from the returns (see Appendix) of the prices of corn in France. In that country, as in England, the corn market during the fifty years in question, presented an average considerably lower than that of either the preceding or succeeding half-century.

During the whole of this period, we were exporters of corn; the quantity varied, of course, from year to year, but was almost always sufficient to establish the fact, that the market price in England was little higher than throughout the maritime part of the west of Europe; we mean the Netherlands, Denmark, the North of France, and the north-west of Germany. The cheapness was materially greater only in inland districts of the Continent, where, as at present in Lorraine, the south of Poland, or south-west of Russia, the want of water conveyance kept down the market.

During this half-century of stationary price, and of scanty agricultural profits, — this period, when inclosure bills were so rare, and lease after lease was signed in long succession, without any idea of increase of rent, it must not be inferred that our tillage was on the decrease: it evidently received an extension, but somewhat more slowly, as appears by the ultimate result, than the increase of our population.

After 1764, began a new æra; our consumption equalled, and somewhat surpassed our growth, so that our import predominated over export. This change, so unsuitable to a season of peace, so contrary to calculation, at a time when additional labour and capital were applicable to agriculture, was owing to several reasons, — an unusual proportion of bad seasons; the increase of consumers from the extension of our manufactures, particularly cotton; and in part, doubtless, to the general disposition to withhold surplus capital from the so long unprofitable investment of agriculture.

Act of 1773.—The rise in our market, whatever may have been its causes, was such in the ten years preceding 1773, as to lead to an act of a new kind; an act implying that in regard to corn England was to be considered rather an importing than an exporting country. It permitted the import of foreign wheat whenever our own reached or exceeded 48*s*, the quarter; a limit just and moderate, which, while it relieved the consumer from an exorbitant rise on the occurrence of a bad harvest, was productive of no injury to our agriculture, the prices of corn continuing to afford a steady re-

turn for the labour and capital employed. Our market now exhibited all the advantages of supply duly proportioned to demand: in some years a partial import was necessary; in others, the nature of our crops enabled us to export; but after 1788, a time of extension and prosperity to most of our manufacturers, import decidedly predominated.

In 1791, the landed interest, not satisfied with the advantage secured to them by the act of 1773, carried it a step farther, and obtained a law preventing import, except when our wheat should reach or exceed the price of 54*s.* the quarter. Whether this measure would have operated to raise prices, or by directing an extra share of capital to tillage, would have, in some degree, lowered them, we had no opportunity of ascertaining, so soon was it followed by the war of 1793.

The late Wars.—The wars of the present age, attended by an unparalleled drain of both labourers and capital, could not fail to raise the price of corn. For some time, however, the rise was gradual, the average price of our wheat, during the first seven years of the war, not exceeding 63*s.*; but two successive bad harvests (1799 and 1800) altered entirely the state of the market, and carried prices to a rate (6*l.* and upwards) till then unprecedented in our history. The seasons of 1801, 1802, and 1803, were favourable, and produced a fall to nearly 3*l.*, a fall which, in concurrence with the demands of the Treasury on the land-holders for our renewed contest with France, led to the corn law of 1804, by which the import of foreign wheat was in a manner prohibited, until

our own should be at or above 63*s.*, and taxed till our own reached 66*s.* These prices, high as they then seemed, were soon surpassed by the currency of our market, in consequence, partly of an unfavourable season (1804), partly of the continued drain of hands and capital for the war. These causes operated in a greater or less degree over the rest of Europe, and greatly lessened the relief which importation would otherwise have afforded.

The non-convertibility of our paper currency had existed since 1797, and passed, in vulgar estimate, for the principal cause of this progressive rise; but the degree of enhancement proceeding from it was slight (not exceeding 3 or 4 per cent.) until 1809, when it was suddenly accelerated by an unfortunate concurrence of circumstances; expenditure in Spain, the stoppage of neutral traffic, and, above all, a deficient harvest. From this time forward, our purchases of foreign corn were made at a sacrifice of 18, 20, or 25 per cent. a loss incurred on the whole of the very large sum of 7,000,000*l.* expended on the purchase of corn in 1810. The currency of our market was now between 5*l.* and 6*l.*, and though, for one year, a rise was prevented by the abundant harvest of 1810, the case became very different after that of 1811, although only partially deficient. A supply from abroad was now, in a manner, out of the question, partly from the anti-commercial edicts of the time, more from our want of specie and the fall of our bank paper. Accordingly, during 1812 and 1813, our prices averaged above 6*l.*, a rate ill calculated to prepare our farmers for the great and general fall to be expected from the approaching change in the state of Europe.

The Peace of 1814.—Never were the effects of peace more promptly or generally felt, than in 1814; import co-operated with favourable seasons; the price of corn fell rapidly, and it was in vain that parliament passed, early in 1815, a new act, forbidding import till the home-price of our wheat exceeded 80*s.*: the market continued low, and for a time exposed both the farmers and the public to all the evils of sudden transition. In 1816 a deficiency of crop, more serious both in England and the Continent, than any in the present age, reversed this state of things, raised prices, and led, during 1817 and 1818, to an import of unexampled magnitude. But when, in the early part of 1819, the effect of scarcity was past, our market fell, and in the autumn of 1820, an abundant harvest brought it to the state of depression under which it has ever since remained.

Fluctuations in the price of Corn, since 1792.

We are now to examine the state of our market during the last thirty years, with a view to its effect on the situation of farmers. The war commenced at a time when corn was abundant, and prices moderate, wheat averaging about 53*s.* a quarter. The immediate effect of the assumption of a military attitude, was to withdraw from agriculture, a portion of labour and capital, to produce a rise in the rate of interest, and to necessitate the abandonment of many projects of improvement, such as drainages, canals, and other undertakings, dependent for success on a low rate of interest. This was productive of very general distress, but had little effect on the corn market, the stock in hand being abundant. In 1794 and 1795, a partial

deficiency in the crops, joined to the continued operation of the war, produced a considerable rise, and carried wheat, notwithstanding a large premium on import paid by government, to 4*l.* and upwards. This, however, was of short duration: in 1796, the amount of import, followed by a favourable season, reduced our market; in 1797, wheat did not, on average, exceed 3*l.* 2*s.* and its further fall in 1798 (to 2*l.* 14*s.*), showed how effectually a favourable season could, even in the midst of war, counteract the charges attendant on the culture of corn. These charges without being at all on a par with the burdens of an after-period, were such as to make many of our farmers hold the language of complaint, and consider the increase of expence from the war as materially exceeding the increase of price.

This may be termed the first æra in the war, which, so far, had produced no material rise, either in rents or in the average price of corn. The case, however, now underwent a complete change, the occurrence of two bad seasons in succession (1799 and 1800) raising prices to a rate, 5*l.* and 6*l.*, wholly unknown in the history of our corn trade. What was the effect of these seasons on the situation of our farmers? At first unfavourable, because a rise in price (Evidence Agricultural Committee, p. 36.) forms no equivalent to a deficiency of crop; but prospectively, it was advantageous, the stock on hand being so reduced as to open a prospect of high prices for some time to come. Accordingly, in spite of the additional burdens of the period, among others the income tax, farmers and speculators in land were induced to contract for rents at an advanced rate. This spirit showed itself strongly in 1800 and 1801,

but received a sudden check from the favourable harvest of the latter year, and the unexpected conclusion of peace with France.

Our wheat now (1802) fell to nearly 3*l.* the effect of high prices was pronounced not only temporary but fallacious; land was almost every where declared to be over-let, and the consequent stagnation, would, doubtless, have led to a general reduction of rents, when the scene was once more changed by war. This was followed by the deficient harvest of 1804; markets now rose, rents were maintained and augmented, the import of corn was subjected to additional restrictions, and at home, all the causes which swell the cost of production, rise of labour, taxation, interest of money, operated in conjunction. The effect of all these, was to carry wheat during 1805, 6, 7, and 8, to an average of somewhat more than 4*l.*, although the seasons were not unfavourable.

This may be termed the middle epoch in the period of war: agriculture had become profitable, and the style of living of our farmers was considerably altered, but their profits were far from unreasonable, their charges being greatly augmented. Of this the best proof is, that all the motives to extension of culture, did not produce a sufficiency of growth for consumption. There prevailed among farmers a general confidence, an extension of outlay; but their pecuniary advantage was limited to increase of income, to the more comfortable support of their families; a substantial addition to property was, as yet, experienced by very few.

We now come to a new æra,—the five last years of the war,—a time when farming profit, notwithstanding an increase of charges, materially ex-

ceeded the preceding *ratio*. In 1809, a deficient harvest raised prices, and the imports from the Continent in 1810, though uncommonly large, could not bring them below an average of 5*l*. or 6*l*., because our currency was now greatly depreciated. No class derived such benefit from the fall of our bank paper as our agriculturists, their rent and taxes being paid in it without deduction, while in their sales they received a full allowance for its depreciation, not only in their corn and cattle, but in their butter, poultry, and other articles. It was at this time that full execution was given to the anti-commercial decrees of Bonaparte, and to our Orders in Council, measures which, without absolutely stopping neutral navigation, added greatly to its cost, and left us more and more to our own resources. This was the season also of extended military operations in Spain, and of the appropriation, in that country and in Portugal, of supplies of flour from the United States, which might otherwise have found their way to England. In 1811 our crop was not equal to our consumption, and in consequence of the want of import from the Continent, our markets experienced a great advance. Rents were now raised rapidly and generally: poor-rate, tithe, and labour received a great increase, and the collection of the property-tax from farmers became more rigorous; which were drawbacks serious, certainly, but more than outweighed by the benefit of high price. In 1812 and 1813 the harvests were, on the whole, favourable; while the augmented depreciation of our bank paper (now between 20 and 30 per cent.) discouraged import, and kept our prices of wheat at 6*l*. and upwards.

At last came peace, followed by the cessation of so many of the causes that had produced the enormous rise of prices: our bank paper recovered: corn had fallen on the Continent: the expence of freight was greatly reduced, and considerable imports took place. Our market experienced a rapid fall in the summer and autumn of 1814; a fall confirmed by other causes,—a reduction in the price of labour; in the interest of money; in taxation;—while the whole was necessarily accompanied by a diminution of such charges, (seed, horses, manure, tithe,) as follow, or rather are identified with the price of grain. A new corn-bill was loudly called for; that of 1815 was passed, and our ports shut to import: but the amount of the stock on hand, and a crop fully adequate to our consumption, kept prices at a low rate, wheat fetching hardly 3*l.* a quarter. Our agriculturists now experienced all the evils of a sudden fall: rents, though lowered, remained unpaid; farming-stock was sold at a ruinous depreciation; tithe fell rapidly; and poor-rate, though not increased in amount, proved, under such altered circumstances, a ruinous burden. In this state of things, the want of warmth and continued wet of the summer of 1816, were viewed by many of our agriculturists as benefits, as the means of clearing the market of the over-stock of corn, of giving efficiency to the recently enacted bill, and of bringing back better prices. Such, in fact, were its results: the crop, though at one time promising, never ripened in the colder situations; our markets rose, and when, after a time, they reached the limit that allowed of import, the supplies from the Continent were, in consequence of

an almost equally bad season there, paid for at such a price that our currency for the year 1817 exceeded 94*s.* a quarter.

We are now arrived at another epoch in the fluctuating history of our agriculture. Though the import of foreign corn continued during 1818, the average price of wheat in that year exceeded 80*s.* The steadiness of this price, the revival of our manufacturing industry, the moderate interest of money, renewed the hopes of our farmers, and created, if not a rise in the amount of rent, a general briskness in making offers. But our imports had been over-done, and our crop in 1819 being an average one, the market experienced a dullness and progressive decline. It was in vain that farther import was suspended; our market continued depressed, and all eyes were fixed on the harvest of 1820, with the singular view of discovering whether its abundance would prove a source of embarrassment to the landed interest. The crop, without being particularly favoured by the season, was found equal to our consumption, which, joined to the magnitude of the stock on hand, produced a great fall of prices: and the crop of 1821 being in like manner accounted an average one, our markets continued in a very depressed state.

Tabular

Tabular Statement of the Nature of the Crops and Average Prices since 1790.

Years.			Average price of wheat.		
			£.	s.	d.
1790, 1, 2.	Peace and favourable seasons	— —	2	13	0
1793.	War, but season favourable	— —	2	15	8
1794, 5.	A partial deficiency of crop in each year	Average of 1795 & 1796	4	1	0
1796, 7, 8.	Seasons less unfavourable	Average of 1797, 8, 9	3	4	0
1799, 1800.	Bad seasons	Average of 1800 & 1801	6	7	9
1801.	A good crop followed by peace and favourable seasons in 1802 and 1803	Average of 1802, 3, 4	3	5	6
1804.	A deficient crop, followed however by average crops in 1805, 6, 7.	Average of the years 1805, 6, 7, 8	4	2	0
1808.	A partial deficiency	Average of the years 1809 & 1810	5	9	0
1809.	A great deficiency				
1810.	A good crop				
1811.	A deficiency	Average of the 3 years 1811, 12, 13	5	18	8
1812, 13.	Favourable crops, but currency depreciated				
1814.	A crop not exceeding the average, but a considerable import and a great decrease of the charge of production consequent on the peace	Average during the years 1814, 15, 16	3	11	5
1815.	A full average crop				
1816.	A great and general deficiency				
1817.	A crop not exceeding an average	Average of the years 1817 and 1818	4	9	5
1818.	A crop not exceeding an average				
1819.	A crop somewhat below the average	— —	3	13	0
1820.	A crop exceeding the average	— —	3	5	7
1821.	An average crop	— —	2	14	2

The deficiency of a particular year is felt little on the average price of that year, but greatly in that of the succeeding year, being seldom ascertained till late in autumn.

The prices in the above table are taken from the Windsor market to 1813 inclusive; afterwards from the average return for England and Wales, which is somewhat lower than the price at Windsor

Having now sketched the principal facts in the progress of our agriculture, we shall bestow a few paragraphs on the

Causes of Fluctuation in the Price of Corn.

It is common to ascribe a great share of these fluctuations to the corn laws; but those who have written and spoken on that subject, whether in favour of or against these laws, would have performed a useful service had they been more sparing of argument and more attentive to the facts connected with our corn trade. The result would, we believe, have been a discovery, that the effects attributed to our corn laws, whether by their supporters or opponents, have been greatly over-rated, and that parliament, in attempting to regulate the currency of our markets, might, as was remarked by the late Mr. Whitbread, be compared to the philosopher in Rasselas, who regarded the sun, wind, and rain as under his control. The bounty act of 1689 had, doubtless, for some time, an operation favourable to landlords, enabling them to let their lands more readily, perhaps on somewhat higher terms; but after the stimulus of war was removed, the bounty proved altogether unequal to the maintenance of prices, and certainly caused to our country gentlemen, as members of the community at large, a loss greater than the benefit it brought them in the capacity of landlords: their prosperous day did not arrive until after 1764, when their boasted aids, export and bounty, disappeared together. From that time corn maintained a steady price, or rather experienced a gradual rise, the causes of which, as the bounty was now inoperative, will, we believe, be readily admitted to have been

First, and principally, an unusual proportion of unfavourable seasons between 1764 and 1773.

Secondly, that the increase of capital and labour applied to our agriculture was not in proportion to the increase of our population. This arose from various causes: the wars of 1756 and 1775; the extension of certain manufactures, particularly cotton; and an impression, founded on the experience of the preceding half century, that agriculture was an unprofitable pursuit.

We now come to the act of 1773, the only act which seems to have had an operation steadily advantageous to landlords; our average price of wheat from 1773 to 1788 being about 49*s.* a quarter, while in France it did not (see Appendix) exceed 38*s.* or 39*s.*, and at Dantzic 41*s.* a quarter. Here was a real and steady superiority of price, the maintenance of which was owing in part to the American war, but in part also to the moderate nature of the act, the price of 48*s.*, pointed out by it as a kind of limit, offering no temptation to capitalists to transfer their funds from trade or manufacture to land. Had the import limit been 54*s.* there seems little doubt, after the proofs we have had, of the practicability of extending our tillage, that it would, ere long, have been overdone, and our growth rendered not only equal but superior to our consumption. By asking little the landholders obtained a certainty, and this example of the success of interference, when interference is very slight, has a claim to their serious attention at the present moment.

In the period from 1793 to 1814, the corn laws were in general inoperative, the currency of our market being usually above the import limit, and our ports consequently open. This was equally

the case after the act of 1804; an act which had, we believe, the effect of enabling landlords to make a rise of rent more general and more approaching to uniformity over the kingdom in point of time than would otherwise have been practicable, but which had certainly no effect in raising markets, its tendency to extend tillage balancing or more than balancing any tendency to keep up prices by an occasional and short exclusion of foreign corn. What then were the causes of the unexampled rise of prices between 1793 and 1814?

The unusual number of bad or indifferent seasons, not less than six (1794, 1799, 1800, 1804, 1809, 1811,) in the course of eighteen years.

The great demand of men for military service, in consequence of which the increase of the producers of corn by no means kept pace with the increase of the consumers.

The increase of taxation, and consequent rise in all farming charges.

The prevalence of all these causes on the Continent, and consequent limitation of import.

The depreciation of our currency, particularly after 1809.

Of all the departments of our national industry, none received so continued a stimulus from the war as agriculture. Our manufactures, particularly those of cotton and hardware, experienced at times a greater impulse; but the nature of manufacture admitting of more speedily increasing supply in proportion to demand, the briskness was often temporary, and followed by a season of discouragement. Our tillage, on the other hand, was hardly at any time brought on a par with our increasing population, so that the stimulant of a demand, equal to or greater than the internal

supply, prevailed throughout almost the whole period.

Causes of the Fall of Prices since the Peace. — These have been partly peculiar to this country, partly common to it with the Continent of Europe. Of the latter description were

The application, in a great degree, of labour, in a smaller, of capital, to tillage, since the reduction of military establishments.

A succession of seasons more favourable than during the war; the Continent, like England, having had, since the peace, only one bad summer (1816); and if, from the magnitude of the failure on that occasion, we consider it equivalent to two seasons of ordinary deficiency, the proportion is still considerably more favourable than during the war.

Next, as to the causes of decline peculiar to this country, we have

The re-instatement of our paper currency; and

The great reduction of freight and other charges of transport; a principal cause of the magnitude of the import in 1817 and 1818.

The operation of several of these causes is sufficiently obvious, but the amount of additional labour lately applied to tillage may be doubted by those who compute the extension of our growth by the number of inclosure bills, and who have remarked (see Appendix) the great decrease in such acts since the peace. To those persons we would observe that the most productive husbandry is that which is practised on land already under cultivation, and in support of this opinion we refer them to the evidence of a practical farmer, Mr. Becher, of Suffolk, given before the Corn Committee

of 1810. When asked whether he considered the import limit of that time (66*s.*) as too low, Mr. B. answered, (Evidence, p. 55.)

"I look upon the price at which wheat is now imported not sufficient to encourage the culture of wheat to the extent that it is necessary for the kingdom, but I believe there is not the least doubt if the import price was at 84*s.* instead of 63*s.*, or even higher, that the effect would be, upon a notice given, that that would be the import price after the 30th September in any year; that the consumption of the country would be fully provided for at home, even in the first year after such notice."

Could it be provided for in the first year without cross-cropping?

"I believe that the lands now sown with wheat are not in the high state generally that they might be; and this I am aware of, that every additional hoeing of the wheat crop will give, upon an average, at least two bushels an acre. I have tried the experiment more than once in the same fields, by not hoeing, hoeing once, and hoeing twice: the difference has been—with one hoeing two bushels an acre more and upwards, and in that hoed twice four bushels more."

This opinion may be followed up by asking what amount of additional labour may be considered at the disposal of our farmers since the peace? During the war the proportion of able-bodied men under arms, exclusive of volunteers and local militia, was about one in ten: now supposing the total population of Great Britain and Ireland employed in agriculture to have been in 1814, agreeably to Mr. Colquhoun, about 5,600,000, of whom the able-bodied part (one-

fourth) were 1,400,000. Of these, in war, the public service removed from home nearly one-tenth, say - - - - - - - 130,000

Whereas in peace the number withdrawn is not - - - - - - - 30,000

Leaving a difference of - - - 100,000

or one-fourteenth of the whole. And if we calculate the produce of their labour not at a fourteenth but at a twentieth of our crop, the result is an addition to our supply of a fortnight or three weeks' consumption of our whole population, a quantity which, small as it may seem, was *considerably larger* than our average import during the war. This addition is wholly distinct from the general progress of our population, in which we consider the increase of consumers as balanced by that of producers: and as no article is so much influenced as corn, (Evidence, Agricultural Committee, pp. 229—240.) by a slight addition to or subtraction from the usual supply, an increase, such as we have mentioned, is sufficient to cause a total change in the market.

SECTION II.

Situation and Prospects of our Agriculturists.

HAVING in the preceding section explained the causes of the augmented supply and reduced prices of produce since the peace, we now proceed to exhibit their result; and to convey in a mode as definite as possible, an idea of the actual situation of our landlords and farmers.

Estimate of our Agricultural Produce and Rental.

Produce. — Annual value of agricultural produce, (not only corn but wool, hemp, flax, timber, &c.) raised in Great Britain and Ireland, exclusive of what is appropriated to seed, or to the food of horses and horned cattle.

In 1812, our produce, exclusive of seed, was computed by Mr. Colquhoun, in his well-known work on the "Resources of the British Empire," (pp. 66—89.) at - - - - £217,000,000

Deduct pasture and all produce used for the food of horses, horned cattle, and the lesser animals, about - - - - 100,000,000

Value of annual produce for the food of man, or for the purposes of manufacture - - - - £117,000,000

Since 1812, prices have fallen above 70 per cent.; but as Mr. C.'s estimate was made greatly below the currency of the time, the deduction applicable to his results does not exceed 30 per cent., which, large as it may be, is at present, or

will in a few years, be balanced by the increase of our produce, leaving the value as stated by Mr. Colquhoun. This great increase of our produce is sufficiently indicated by the state of our markets, and supported by several very powerful considerations; viz.

The great addition to our population, (17 per cent.) since 1812.

The excess of the population and produce of Ireland over Mr. Colquhoun's estimate. And

The extra proportion of hands furnished to agriculture since the peace by the discharges from the militia and army.

Rental.—In 1814 the rental of England, Wales, and Scotland was carried, as appears by the property-tax returns, to nearly £43,000,000

Add for Ireland, (conjecturally estimated) 10,000,000

Together £53,000,000

Add for all omissions and allowances on the property-tax returns, a supposed amount of - - - - 5,000,000

Since 1815, a great increase has taken place in our produce, but this having been chiefly on lands already under tillage, we add for the extension of rent-paying lands since the peace only - - - - 2,000,000

Making in all - £60,000,000

Deduct for all abatements of rent since the peace, made, making, or which must, ere long, be made, (the preceding statement being calculated on the full war rents,) 40 per cent., £24,000,000

Remainder £36,000,000

which will probably form the rental of Great Britain and Ireland, when the price of wheat shall be steadily between 55*s.* and 60*s.* a quarter, and when the cost of production shall be lowered in proportion. Large as is this abatement of rent, it is less great than the fall in the price of produce, but the improved husbandry has of late made considerable progress, and the cheapness of provisions has caused a considerable decrease of poor rate.

In no class of the community has the effect of transition been either so severe or so long continued. Great as has been the fall in the price of agricultural produce, that of income is at present much greater. If to the rental of landlords in the latter years of the war, we add the income of our farmers, we shall find, (see Property-tax returns for 1812, printed in 1816,) including Ireland, an aggregate of more than £100,000,000*l.* This, it must be allowed, exceeded all due bounds, and a reduction to 75 or even to 70,000,000*l.* would have been nothing more than a fair participation in the general abatement attendant on peace; a relinquishment of a monopoly for a fair average profit: but at present the income of farmers is almost totally suspended, and such rents as they still pay are extorted from their capital. Of the extent of national injury arising from this state of things, some idea may be formed from the following estimate of the proportion borne by agriculture to the productive industry of the country at large.

	Proportions in 100.
Proportion of the public revenue arising from agriculture at the reduced prices of peace, about - -	30
Proportion of our population dependent for employment on agriculture (see the Population Return of 1821) in Great Britain, distinct from Ireland -	33

	Proportions in 100.
Proportion of national property annually created, being the amount of corn, grass, wool, hemp, flax, timber, &c. after a suitable deduction from Mr. Colquhoun's estimate - - - -	45
Proportion of national capital affected by the prosperity or decline of agriculture, being the value of our land, farming stock, and houses on farms and estates, adopting Mr. Colquhoun's mode of estimating, but making a great abatement on the prices of 1812, (see Appendix to the chapter on National Revenue and Capital) above - - -	60

After this statement, it is needless to expatiate on the magnitude of the injury arising to our manufacturers, our shop-keepers, or the Treasury, from the distress of agriculture: nor need we go farther to account for the chief part of the national embarrassment in 1816, or of our revived prosperity in 1818. It is almost equally idle to discuss the question, whether the agriculturists are entitled to our sympathy, or whether their profits, towards the close of the war, were not such as to exceed all legitimate proportion. Their case involves a question of policy fully as much as of justice,—the losses of any great part of the nation forming the losses of the whole, and any deficiency in their contributions to the exchequer falling necessarily on the other classes.

Present Situation of our Landlords and Farmers. —A reduction in the style of living on the part of farmers was unavoidable, their profits having consisted less in acquisition of capital than in additions to income—additions which were great only in the latter years of the war, and arose chiefly from the depreciation of our currency. With landlords the case was different: their increased

receipts had been less connected with depreciation, while their possession of capital exempted them from any immediate necessity of altering their scale of expence. Time has been afforded them to make a deliberate distinction between nominal and real income; between that decrease which actually deducts from the power of expenditure, and that which, in consequence of the rise in the value of money, does so only in appearance. During the war they had an opportunity of observing how closely augmented expenditure followed augmented income; it now remains for them to try reduction, and to carry it to the length pointed out by the fall in the price of commodities. That fall does not, we allow, apply to them so largely as to the lower and middling classes: it has taken place chiefly in the necessaries of life, and, as yet at least, holds much less in regard to the charges incurred by the higher ranks, such as assessed taxes, salaries, wages, professional fees, to which we may add education at our public schools or universities, along with the cost of articles of luxury, such as wines, plate, and ornamental furniture. Yet even in these reduction has commenced, and may be carried much farther when the upper classes think proper to hold a decided tone, and retrench abuses engendered in days of abundance.

On comparing the situation of our landlords with what it was in the latter years of the war, we are led to compute the nominal decrease of rent at forty per cent., the real decrease at twenty per cent.; assuming that the remaining twenty per cent. are counterpoised by reduction in their expenditure either already made or perfectly practicable. We go, perhaps, too far in supposing an actual

loss to the extent of twenty per cent.: if we make allowance for the repeal of the property-tax, the loss should, doubtless, be less; but, without pressing that point, we proceed to ask from what source this extra income arose during the war? Partly from the general rise of profit at that period, more from an advantage peculiar to agriculturists, the monopoly of the market in consequence of the continued insufficiency of our growth. Advantages such as these are necessarily temporary, and, could the nature of our situation have been foreseen, would have been considered by landlords as at a close, as soon as our political circumstances were changed, and the country became assured of peace.

But rents even on this reduced scale, are not, it may be said, paid at present, nor are our prices equal to the cost of production, leaving rent wholly out of the question. We answer that no calculation can be founded on the circumstances of this season of transition and over-stock; but as a great part of the distress arises from temporary causes, (excess of import, crops unusually large, and the tardy reduction of farming charges), the better plan is to calculate probabilities, and to reason on a rate of prices and rent which though not yet established, is rendered likely by a concurrence of circumstances.

Our principal landlords, convinced of the inefficacy of corn laws to keep up the market, have given decided examples of reduction, to the extent of the 40 per cent. assumed in the preceding table. Supposing, for the sake of illustration, that of this deduction 15 per cent. had been in general made prior to the examination of the witnesses, be-

fore the Agricultural committee (March and April, 1821); there then remained to make a farther abatement of 25 per cent., an abatement repeatedly alluded to in the evidence as necessary, acceded to by many individuals since that time, and which can hardly fail soon to become general, sanctioned as it is by great examples, and imperiously required by the exigency of the case. We shall suppose, therefore, that what is as yet partial has become general, and that our landlords throughout the kingdom, aware, on the one hand, of the increased value of money, on the other, of the necessity of sacrificing a part to save the remainder, have consented to this reduction; also, that the farmers succeed in accomplishing a corresponding diminution in labour and the other charges of culture. Were this grand point adjusted, the prospect of our agriculturists would be cleared of a part of its gloom; their horizon would brighten, and it would, we might hope, be no longer doubtful whether ruin or recovery is to be their lot.

Supposing this reduction effected, what price, it may be asked, would enable the farmer to discharge his engagements, and to earn a fair support? Sixty shillings for a quarter of wheat in the counties adjacent to the metropolis, and between fifty-five and sixty shillings in those where labour is cheaper. This estimate is supported directly by the opinion of Mr. Rodwell, (Evidence, Report of 1821, p. 86.), and of Mr. Brodie, (p. 335.) while indirectly it is confirmed by all who, when desired to say the cost of raising wheat *without rent*, fixed it under last year's charges, between 55*s.* and 60*s.* A deduction of 25 per cent. would bring the cost to 45*s.*, and a market price between 55*s.* and 60*s.* would obviously supply the fund requisite for the

payment of the rent which is in general a fourth or a fifth of the produce.

How far is the probability of 55*s.* or 60*s.*, as a medium price in peace, confirmed by other circumstances, in particular by the average price of other countries? Wheat at Dantzic has averaged, (Evidence, Agricultural Committee, p. 366.) during the last half century about 45*s.* a quarter; while in the more adjacent parts of the continent, we mean the Netherlands, and the north of France, 45*s.* a quarter, are generally considered sufficient for the indemnity of the farmer. This difference supposes an advance of 20 per cent. to our agriculturists in consideration of their heavier burdens. After the high prices to which we were so long accustomed, an average of 55*s.* or 60*s.* appears extremely low: but in the payment of labour, in the power of purchase, generally, it at present is, or ought to be equal to 80*s.* in the late war, and the point is not that which may be expected, but that which it is practicable to attain. Add to this, that under such a price our manufacturers would probably acquiesce without complaint, considering our national superiority in fuel, navigation, and command of capital, such as to admit, without much hazard, of a relative disadvantage in the cost of subsistence.

The probability of an average between 55*s.* and 60*s.*, is further confirmed by a retrospect to history, to periods in which our agriculture was prosperous. In 1804, a price varying from 63*s.* to 66*s.* was accounted sufficient, under charges considerably heavier than those we have now in prospect. During the thirty years between 1763 and 1793, our farmers made few complaints, though the average price of wheat

was 49*s.* a quarter, or about 15 per cent. less than we consider necessary for the present time. If we compare the farming charges on the reduced scale we have anticipated with those previous to 1793, we shall find that the excess of the former, is, or ought to continue great in one point only, taxation. This leads naturally to the inquiry, how far the taxation of the present time exceeds that of 1792. In treating this subject in a subsequent chapter, we shall have occasion to fix the increase at 10 per cent. on the income of the nation at large: in the case of the farmers, we shall suppose that from the pressure of poor rate, the additional burden is nearly 20 per cent. This is burden on *income*, and the annual *produce* of a farm being computed by surveyors at three or four times the tenant's income, (see the Property-tax return, 1810), it follows that 20 per cent on income will be defrayed by an addition of 5 or 6 per cent. to the market price of the produce; leaving nearly 10 of the 15 per cent. rise supposed by our calculation, as a counterpoise to a variety of charges distinct from taxation, which are greater at present than in 1792, and which it will be a task of great time and difficulty to reduce.

This mode of reasoning, fair as it may seem to some, and sanctioned as it is by the example of of such men as Earl Fitzwilliam and Mr. Coke, may appear in a very different light to others, who, whether landlords or farmers, are ill prepared to relinquish the hope of high price. Of these persons, some may still cling to the imagined effect of a protecting duty, others, with more plausibility, may build their expectations on the progressive increase of population and on the contingency

of a deficient harvest. It is of consequence, therefore, to enter at some length into a consideration of these arguments, and to attempt to bring into the form of an estimate, results, which, at present, are vague and undefined.

Effect of increasing Population on the Price of Corn.—The returns in the present age have shown a rapidity of increase in our population which we had, for many years, difficulty in considering correct, but which bids fair to be progressive, owing, as it apparently is, to causes of a permanent nature; to an improvement in the condition of the lower orders, in diet, clothing, and lodging, as well as to the preservation of the lives of children by vaccination. But those who found on this an expectation of relief to our agriculturists, overlook two very material points; first, that the producers of corn increase their numbers in nearly the same proportion as the consumers; and next, that the productive powers of our better soils, far from having reached their *terminus*, appear to admit of an increase almost as great as that of the labour bestowed on them. In support of this apparently bold assertion, we refer, as well to the already quoted arguments of a practical agriculturist, (Mr. Becher,) as to our experience, as a nation, during the last eight years. No period was more calculated to suggest the inference of a limitation of the productive powers of our soil than the twenty years preceding 1814, yet this opinion (see the preceding section, page 136,) has been completely disproved by the result of our agriculture since the peace.

If we take a wider range than the experience of the present age, and refer to the history of this and other countries, we find France as capable at

present of maintaining a population of 30,000,000, as of supporting 20,000,000 in the beginning of the 18th century, or 15,000,000 in the beginning of the 17th. France may be termed an example altogether in point, manual labour forming the basis of her agriculture, to the exclusion, in a great degree, of machinery. England furnishes a case apparently stronger, the increase of our population, during the last century, having been considerably more rapid, and our soil being still equal to their subsistence: but we forbear dwelling on this because it may be argued that the productive power of our agriculture has, particularly in the present age, been so materially promoted by means distinct from increase of population, we mean machinery, and other aids arising from the command of capital. We cannot, however, but remark, that the next generation will, in all probability, raise a supply of subsistence as far beyond ours, as ours is beyond that of the last age, and may, on comparing the two periods, feel no little surprise at the negative predictions of several of our political economists. Without contesting their principles in the abstract, we must add that nothing is more likely to mislead than the assertions of those who assign limits to the extension of the productive powers of our soil, imperfectly acquainted as they are with its capabilities, and still more unable to foresee the successive improvements that may, and in all probability will, be made in husbandry. How greatly does our prospect of supply exceed their anticipation: how large, for instance, would be the addition to the produce of the West of England, and of Ireland, were these countries merely to adopt the improved plan now

generally followed in our eastern and northern counties. (See Appendix).

Our next argument, similar in its object, is somewhat different in its nature. There exists a perpetual tendency to removal from country to town, and, on comparing our population lists at different periods, we find the inhabitants of towns, in other words, the consumers of corn, augment their numbers more rapidly than the producers. We must be cautious, however, of drawing a conclusion as to rise of price from this fact; it merely marks the natural progress of society in an improving country; a progress easily traced in our history for more than two centuries, the agriculturists of England, who now form only 33 per cent. of our population, having formed 50 per cent. of it in the reigns of Elizabeth and James I. Still the supply of produce has continued equal to our increased numbers, and the cause is obvious, the use of machinery, and the adoption of various improvements, enabling the same number of hands to raise a much larger quantity of subsistence.

Is no rise of prices then to be expected from the increase of our population? It certainly may be expected under circumstances which give a new or different employment to a portion of our numbers — such as appear to have prevailed on the extension of our cotton manufactures after 1780, and such as evidently characterise the present emigration to Upper Canada, and the Western States of America, the larger proportion of the emigrants being agriculturists. To this we add, that the increase of our numbers has in it something encouraging and cheering: *it assures, in a great measure, the continuance of tillage on our inferior soils*: and taken in a more general view,

it keeps alive the expectation of national improvement so fully described by Mr. Gray, and which shall be noticed at greater length when we come to treat of the subject of population.

Effects of a bad Season on the Price of Corn. — The rise in our corn market, produced by a bad or even an indifferent season in time of war is very considerable, our supply from abroad being limited by causes which have not yet been clearly explained. The public, particularly the untravelled part of the public, are hardly aware of the similarity of temperature prevailing throughout what may be called the corn-country of Europe, we mean Great Britain, Ireland, the north of France, the Netherlands, Denmark, the north-west of Germany, and, in some measure, Poland, and the north-east of Germany. All this tract is situated between the 45th and 55th degrees of latitude, and subject, in a considerable degree, to the prevalence of similar winds. Neither the superabundance of rain which we experience in one summer, or its deficiency in another, are by any means confined to Britain and Ireland; while in winter, both the intensity and duration of frost are always greater on the Continent. Exceptions certainly exist in particular tracts, but in support of our general argument, we have merely to recall to those of our readers who are of an age to recollect the early part of the war, or who have attended to registers of temperature, the more remarkable seasons of the present age: thus, in 1794, the spring was prematurely warm on the Continent as in England: there, as with us, the summer of 1798 was dry, and that of 1799 wet: again, in 1811 the harvest was deficient throughout the

north-west of Europe generally, from one and the same cause, blight; while that of 1816 was still more generally deficient from rain and want of warmth. In regard to a more remote period, we mean the 17th and 18th centuries generally, if the temperature has not been so accurately noted, we find, from the coincidence in prices, that it is highly probable that there prevailed a great similarity in the weather of the Continent: thus, in France the latter years of the 17th century; the seasons of 1708 and 1709; as well as several of the seasons between 1764 and 1773, were as unpropitious and attended with as great an advance of price as in England.

Another observation as yet little attended to, but which has found a place in the Agricultural Report of 1821, is, that an indifferent season is not always followed by a favourable one, but that two, and even more than two deficiencies of crop occur sometimes in succession. Such was the case in the latter years of Elizabeth, in the reign of William III., and in our own time, in 1799 and 1800: in all these cases the consequences were very serious, leading to a distressing rise of price, and showing of how great importance it is to make the plenty of one year conduce to the relief of another.

But while *in war*, the effect of a bad or indifferent season is thus severe, its pressure is greatly alleviated by the cheap freight and open communication of a state *of peace*. On referring to the record of our prices during a century and a half prior to 1793, we find that the effect of an unfavourable season was to carry wheat from 40*s.* to 50*s.* or 55*s.*, rarely to 60*s.* Now 55*s.* or 60*s.* are nearly proportioned to 70*s.* at the present value of money, and the latter would probably be the currency of

our market in the event of a partial deficiency like that of 1795. 1804. 1809: to carry our peace prices higher would require a failure as general as that of 1816, or two partial deficiencies in succession as in 1799 and 1800. To those who think otherwise, we submit two considerations; first, that the increase of our numbers does not much increase the difficulty of supplying our consumption at home; and next, that the range of foreign territory from which our corn imports are or may be derived is much wider than during last century.

Add to this, that a continuance of peace tends in many ways to an equalization of price between different countries. The obstacles to emigration are then removed: the tempting profit attendant on government contracts and other war speculations no longer detain at home either the individual or his capital: the charges of production are calculated closely, and a decided preference given to the country where those charges are most moderate. Another, and a still more substantial cause of the same nature is the increased command of capital in peace, the augmented means of buying up the superabundance of one year as a supply for the demands of the next. Among other structures of recent date in the vicinity of the Thames, are warehouses in which corn may be preserved during six or seven years without injury: the expence, which in the case of wheat has as yet been 7*s.* a quarter, including interest of the purchase-money, would be materially lessened in purchases made in a market so low as that of 1821, and the present year. (See Appendix.)

Effect of the Market Price of Corn on the Cost of its Production.—If the influence of the seasons has not yet been duly appreciated, much less is that the case in regard to another cause of rise and fall which we admit to be somewhat complicated in its nature, and tardy in its operation; we mean the re-action of the market price of corn on the cost of its production. Our object will be best understood by an analysis of the charges of cultivation, as exhibited in the subjoined table.

Expence of cultivating 100 acres of Arable Land in England, at three distinct periods, calculated on an average of the returns made to circular letters from the Board of Agriculture to farmers in different parts of the kingdom.

	1790.			1803.			1813.		
	£	s.	d.	£	s.	d.	£	s.	d.
Rent	88	6	3¾	121	2	7¼	161	12	7¾
Tithe	20	14	1¾	26	8	0¾	38	17	3¼
Rates	17	13	10	31	7	7¾	38	19	2¼
Wear and tear	15	13	5¼	22	11	10¼	31	2	10¾
Labour	83	5	1¾	118	0	4	161	12	11¼
Seed	46	4	10¾	49	2	7	98	17	10
Manure	48	3	0	68	6	2	37	7	0¼
Team	67	4	10	80	8	0¾	134	19	8¼
Interest	22	11	11¼	30	3	8¼	50	5	6
Taxes	—			—			18	1	4
Total	411	15	11¾	547	10	11½	771	16	4¼

NOTE. The article manure is underrated in the last column; were it fully stated, the aggregate of 1813 would have exceeded £800.

This document presents materials for reasoning of equal importance to the agriculturist and political economist, exhibiting all the constituent parts of the cost of corn, and enabling us to explain both the high prices of a state of war, and the fall attendant on peace. To begin with the rise

in a state of war, its effects are first felt in the price of labour, the interest of money, and the direct taxes: an enhancement of these is soon followed by enhancement in the important articles of team and manure: an increase in the price of seed is necessarily identified with a rise of corn: an increase of tithe, as expressed in money, is a consequence almost equally direct; while an advance of poor-rate has, ever since the days of Queen Elizabeth, followed, at no distant date, an augmented price of bread.

Such was the progress of farming charges during the late wars; the early part of the period was with our farmers a season of complaint, and with the exception of tenants on lease, the partial rise in price, accompanied as it was by high charges, was accounted a disadvantage to agriculturists. After 1804, their situation improved, but it was not till 1809 that the advantage of war to the farmer became great and general.

Next, as to the reverse of the picture, the unweaving of that web which owed its texture to a double war and a depreciated currency. Wages, interest of money, the cost of horses, and, in some degree, direct taxes, have all undergone reduction since the peace, in particular since 1820: a fall in the price of seed is a matter of course, while a reduced charge in the bills of tradesmen, and a diminution of tithe, are necessary though less direct results of a decline in the corn market. The remaining charges are rent and poor-rate, both very difficult of reduction, landlords finding that the diminution of their expenditure is not equal to the fall of corn, while in the case of the poor a decrease in employment retards that reduction of parochial charge which would otherwise follow the

cheapness of the necessaries of life. These, however, are only postponements of an unavoidable result: landlords must resign in peace the monopoly attendant on war, while to our labouring classes the extension of manufactures consequent on the fall of provisions, opens a prospect of relief, not speedy, perhaps, but eventually certain.

What then ought to be our inference from the preceding reasoning? That farming charges necessarily rise with the market-price of corn, and as necessarily become reduced by its decline. From this it follows that as the reduction of charge is as yet by no means proportioned to the fall of price, we are justified in anticipating that it will continue and afford considerable relief to the farmers, even should prices experience no rise. This will be best understood by a reference to the answers of the witnesses who were questioned by the Agricultural Committee of 1821, about the cost of raising a quarter of wheat. The *55s.* or *60s.* declared by them, (Evidence, pp. 37, 55, 72.) to be indispensable to meet the charges exclusive of rent, are found to supply a fund for rent also, if we suppose a general diminution of *twenty-five per per cent.* on the cost of production. Several of the witnesses had evidently an abatement of this nature in view: one of them, a landsurveyor, declared, (p. 191.) that a price of *64s.*, with a *proportional reduction of charges*, would afford a fair rent, while another witness, a farmer residing in Suffolk, adverted (p. 86.) to the remarkable fact that 2,000*l.* forms as efficient a capital at present as 3,000*l.* in 1817, and considered that in the event of an abatement of one-fourth of rent, poor-rate, labour, tithe and taxes, *60s.* a quarter would afford a fair profit in his county: while the answer of a third witness,

(p. 335.) points to a much lower price as sufficient in a quarter (East Lothian) where labour is somewhat cheaper, and tithe happily unknown.

How far do these conclusions appear to be familiar to the majority of those who have written or given evidence on the state of our agriculture? Landsurveyors, accustomed to arithmetical calculation, are aware of these truths in a general sense; but the majority of them, like the majority of our farmers, having known none but a state of war, have great difficulty in considering as permanent the low prices and low charges of peace. The Agricultural Report of 1821, seems to have been composed under a conviction similar to that which we have expressed in the preceding paragraphs, but unfortunately it nowhere exhibits a clear and pointed statement of the connexion between the price of corn and the cost of raising it.

Are low Prices likely to continue?

We are now to follow up the arguments on the very interesting question of a rise or fall in the market price of corn. Those in favour of a rise are —

1st. The expence of bringing into culture new soils of inferior quality to meet the wants of our increasing numbers. This, the chief argument of theoretical writers, is already in a great measure answered by the result of the last eight years; by the evidence that the largest additional produce is obtained from soils already under tillage; and that the grand means of increase consist in the application of additional labour. Our inclosure bills in the six years previous to 1815 averaged 115 annually; in the six following years, during which our produce has increased so largely, they averaged only 48; a decisive proof that a very small

proportion of that increase was derived from new soils.

2d. The expence of keeping inferior soils under cultivation, and the necessity of abandoning them if low prices continue. This consideration carries much more weight, and might produce a kind of revolution in prices were it not the case that the charges of cultivating land tend so directly to decrease with the price of corn. No inference can be drawn from the *present* situation of our agriculturists who labour under all the evils of transition and disproportion; subject at once to heavy charges and low prices. At a time when we are told from so many quarters of over-cropping, of decay of farming stock, and of multiplied bankruptcies, we must necessarily take for granted that the plough will, to some extent, at least, be withdrawn from the inferior soils. In the parts of Scotland where tillage was pushed farthest, this painful alternative is unavoidable: in England, at least in various parts of England, the case is somewhat different: tillage was not so often carried to an extreme, and the solicitude of the landlords (Evidence, p. 43.) to prevent the degradation of their estates by paying for lime and other requisites to the maintenance of good husbandry, will operate to lessen this and other evils. Add to this the remarkable fact, that after all the extension given to our tillage in the present age, the proportion of ground under the plough and spade is (Napier's Supplement to the Encyclopædia, head of France, p. 373.) considerably smaller in England than in France. Add also another fact hardly less important, that the practice of drilling corn, so lately introduced, is particularly suitable to second-rate soils.

But supposing that the tillage of inferior soils were relinquished to a considerable extent in England as in Scotland, it does not necessarily follow that the amount of our produce would decrease: our labour must be employed somehow, and would be transferred to the richer soils. A diminution of production is altogether contrary to the disposition of our countrymen: an increase of quantity, even should the price be lower, is more in correspondence with their active and enterprizing habits. No decrease of our agricultural produce took place during the long stagnation of last century; during the fifty years that elapsed between 1713 and 1763. And if we advert to a parallel case in the present age, that of our West India Sugar planters, we shall find that during a number of years, (1802. 1805, 6, 7,) their produce as little paid the expence of raising it, as corn does at present. A number of estates were abandoned; in others, the cultivation was reduced; but this was so effectually balanced by the increased productiveness of the richer soils, that very little if any diminution took place in the total quantity raised.

3d. *A protecting Duty on Foreign Corn.* — The efficacy or non-efficacy of such a measure is, in a great degree, matter of opinion. Without assuming a decisive tone on either side, we shall have occasion to show presently that a high duty would by no means cause a permanent rise in our corn market, and that the only safe course is to regard the last thirty years as a period without example, peculiar in its circumstances, and altogether different from our present situation. We ought, in the next place, to carry back our view to the period preceding 1793, and ascertain how far

the increase of the charge of raising corn arising from taxes or otherwise, exceed the reduction of charge attendant on the improvements that have found their way into general use. In that proportion only will it be practicable to maintain an increase of price: any attempt to carry it higher would be defeated by the extension of our home growth. Agriculture, like trade, has its projectors, men ready to transfer to it capital from other pursuits, and who would find, particularly in Ireland, many rich tracts open to their speculations, now that there is so little inducement to keep them in pasture. The only method, therefore, of giving our established farmer a fair chance, is to be very sparing of stimulants; the effect of which is unnatural, temporary, and eventually pernicious.

4th. *Contingency of a bad Season.* — On this head we have already attempted a calculation, showing that in former periods of peace the extent of rise varied from 10*s.* to 20*s.* on the quarter of wheat, according to the degree of failure in the harvest. Under present circumstances, this limited advance is much more likely to characterise our makets than the greater fluctuation that took place in the late wars.

That our prices of wheat are not likely to exceed 60*s.*, at least for any length of time, is confirmed by some arguments of a more consolatory nature; viz.

The increase of our growth by the diffusion of the improved Husbandry. — Under this head we are disposed to class the more general introduction of drilling; the farther consolidation of small farms; and the more frequent adoption of leases

when the changes in our money system shall have reached their termination. For her pasturage England is deservedly celebrated, but her tillage is only partially good. In no branch of our national industry has improving example been as yet less generally followed: in none has it a wider field to occupy.

The reduced Interest of Money. — The fall of interest on public securities since the peace, is about one per cent., and the prospect is in favour of some farther decrease, or rather, that the reduction, which is at present partial, will become general, and be communicated to private as well as public securities. At present, no line of business offers a tempting return; nor is any likely to withdraw money investments from agriculture in which, besides, from the reduced price of all farming stock, the appropriation of 1000*l.* (Evidence, Agricultural Committee, p. 86.) is likely soon to go, as far as that of 2000*l.* in the time of high prices.

Such are the principal arguments against any material rise in our corn market; and if their conjunct effect be merely to give us the supply of a three weeks' consumption above the average of our crops in war, the result would be a confirmation of the reduced prices, so nearly did our growth approach even in former years to our consumption.

Contingency of War. — In the event of war all these anticipations would be overturned: our capital would no longer be abundant; our navigation no longer cheap; while from no branch of our industry would labourers be more generally withdrawn for government service than from agri-

culture. At present, however, we leave this formidable contingency out of the question: the system of France, the only country which immediately affects our foreign politics, is wholly pacific, nor is it likely for a long time to be altered by any contest that may arise between more remote powers. A state of war so general as that which followed the French revolution, is certainly not to be expected in the life-time of the present generation; or, if we admit that it is impracticable to reason with confidence on so wide a question, there is at least one point which we may safely take for granted, viz. that our public men, in the event of a new appeal to arms, will abstain from two of the measures, which, more than any others, contributed to raise our corn market, interference with our currency, and the stoppage of neutral navigation.

"These they will shun through all the dire debate,
And dread those arms whose force they felt so late."

Prospect of Relief to Farmers.—This question, though apparently identified with that of rise of price, will be found on examination to rest on very different grounds, and to present, happily, a less unfavourable prospect. The reasons for this opinion are,

1. The interest of all farmers who are not tenants on lease (Evidence Agricultural Committee, pp. 49, 120,) is to have not a *high, but a steady price*. Taken in a permanent view, that price is most desirable which gives stability to our manufactures, and prevents our continental rivals from having too great a superiority over us in the main point of subsistence.

2. Our growth, if it equal, does not, in ordinary seasons, exceed our consumption; a situation a good deal different from that of our agriculturists after the peace of Utrecht. This circumstance, if it does not justify the expectation of a rise of price, affords, when considered along with our increasing numbers, a kind of guarantee of the past, a security against the abandonment, to any great extent, of the inferior soils.

3. The tendency of agricultural charges to decrease with the market-price of corn, and of the rate of profit in every line to approach to a common standard.

These considerations confirm the hope that, eventually, the situation of our agriculturists will alter, and our tillage be carried on without the impoverishment of a most useful and respectable body of men. Still their distress must, under any circumstances, continue sometime longer, and be shared by the numerous persons resident in towns whose livelihood depends on ministering either to the wants of the farmer or the luxury of the landlord. Every feeling mind must sympathize with those industrious classes, whether in town or country, whose privations, very different from those of their superiors, too often imply the renunciation of real comfort. They have, however, already experienced considerable relief from reduction in their expenditure; and a cheering, though somewhat indirect prospect, is opened to them from the improved condition of other classes. All must allow that the sum withdrawn from agricultural income has been far too great in its amount and too sudden in its deduction; but it is a consolation that it does not, like shipwrecked merchandize, or the expence of an indecisive campaign,

form a total and absolute loss to the community: it is compensated, as far as the evil of sudden transition admits of compensation, by the cheaper maintenance of our manufacturers, the prevention of their emigration, and the ultimate benefit arising to our agriculturists from their consumption on a more liberal scale.

SECTION III.

A Protecting Duty.

We come now to the portion of our subject which has of late engaged so much attention — the imposition of such a duty on foreign corn as shall afford protection to our agriculturists. Our reasoning on this head will be found materially different from that of the majority of parliamentary speakers, the amount of duty appearing to us a secondary object with the public at large; while to our agriculturists, it would, if raised to an undue height, be replete with as pernicious consequences as the bounty act of last century. We proceed, without further preamble, to examine the following points:

The comparative burdens on agriculture in France and England.

How far our manufactures receive protection from our custom duties.

The danger of over-extending our tillage.

The tendency of our commercial legislation to the abolition of all restrictions.

A populous country not necessarily expensive.

England is, after the Netherlands, the portion of Europe in which population is both most dense, as to numbers, and most closely connected by roads and canals. Compared to us, the inhabitants of

France, on an equal surface, are in the proportion of only two to three ; and the degree of separation is very materially increased by another cause — the inferiority of the roads and the want of water communication. Germany is still more inferior to England, both in numbers and in frequency of intercourse ; and it is needless to show how much more the deficiency prevails in the other parts of Europe, in Spain, Sweden, Poland, Russia. The point at issue is, to ascertain whether density of population necessarily tends to raise prices, to render a country dearer than its scantily peopled neighbour ? That it has in an eminent degree that tendency is the general impression and report of those among our travelling countrymen, who found their inferences on a few points most obvious to common observation, such as the moderate price of labour on the Continent, and the no less moderate rate of excise duties ; but they overlook the various considerations on the opposite side of the question, such as the general inferiority of machinery and workmanship, the loss of time caused by distance from towns, and by the necessity of doing personally that which, in a busy, commercial community, is prepared by others, and obtained by purchase. In a subsequent publication, when treating of " Economy and retrenchment," we shall take occasion to explain the distinction between real and apparent saving, and describe the habitual waste of time in petty occupations by the inhabitants of provincial towns on the Continent : at present our wish is merely to lay down the general rule, that a population dense, improved, affluent, does not *necessarily* render a country more expensive than one that is poor and thinly inhabited. The difference is in the mode of living, not in the price of the articles.

An increase of population, by leading to an abridgment of labour, and to the transaction of business *en masse*, brings with it a dispatch and an extent of accommodation; the saving from which is equal, we believe more than equal, to the enhancement in provisions attendant on augmented numbers.

It is not in towns of moderate size, however near each other, but only in the case of an overgrown capital, such as London or Paris, that the real and unavoidable difference of expence becomes considerable. Holland and England are, it is true, dearer throughout all their provincial towns than the rest of Europe; but that is owing partly to style of living, partly to high taxation, — to the price paid by either country for the rank which it has maintained in the scale of European politics. Were we to subject individual expenditure to an analysis, and to keep separate the portion of it which results from these causes, we should find that our actual prices, the purchase money of commodities at market, are not, on the whole, much greater than in other countries.

These remarks are general, and apply to all classes of society. We now proceed to the point more immediately in question, the situation of our agriculturists.

Comparative burdens on French and British agriculture.

That the pressure on our agriculture is greater than on that of our neighbours is sufficiently known, or rather, sufficiently believed; for very few persons have been at pains to analyze the burdens on either. On our side, they consist of tithe, poor-rate, land-tax, along with a participation in the

assessed taxes, the excise duties, and the customs. To begin with the burdens directly applicable to agriculture, tithe and poor-rate, we are inclined, in consequence of the fall of corn, to anticipate that these charges, *as far as paid by the landed interest*, will, ere long, be reduced to a sum of about 7,000,000*l.* for both. The amount of the land-tax, adding the redeemed to the unredeemed, is about 2,000,000*l.*, making together a sum of somewhat more than 9,000,000*l.* To this formidable burden the French may, with a qualification to be mentioned presently, oppose their *foncier*, or assessment on real property; which, after the partial reduction of late years, still forms a charge of 17 or 18 per cent., not on the rent merely, but on the rent and farmer's profit together. Next come our house and window tax, which would be feebly balanced by the *portes et fenêtres* of our southern neighbours, but which is equalled, or nearly equalled by that duty, when added to the *mobilier*, or tax on the reputed value of furniture. Our stamps, swelled as they have been during the late wars, are considered by our landlords as a very serious charge, both on leases, sales, or loans; and a member of parliament, remarked for his acquaintance with such subjects, * went lately the length of asserting that this charge was the most heavily felt of any by our agriculturists. Heavy, however, as it is, even after the modification lately granted, its pressure is equalled, in respect to sales at least, by the French *enregistrement*, a duty no less than 5 per cent. on the purchase money, which, added to the other departments of the stamps, produces an amount of 5,000,000*l.*, a surprising sum to

collect from a country which was never remarkable for its wealth.

So far we may be said to have preserved equality in our comparisons: we now come to points in which there necessarily prevails a difference, though less great than is commonly imagined. Thus, in regard to the charges incurred in the course of cultivation, viz. seed, manure, wear and tear, working cattle, — the difference, very great during the war, has lost, or is now losing, much of its amount. The cost, as expressed in money, is still, we admit, smaller in France; but in the case of implements, and, in some measure, in that of working cattle, the difference means little more than inferiority of quality; an inferiority not unlike that which would be exhibited by a parallel between our agriculture of the present age and that of the beginning or middle of the last century. A similar remark applies to the domestic expences of a farmer: the difference lies in the style of living more than in the price of the articles; for in two material points, clothing and fuel, the cost is not higher in England than on the opposite side of the Channel. The fuel of the rural districts of France is generally wood; sometimes, though rarely, it consists, as in Ireland, of turf or peat.

We come next to a highly important part of agricultural disburse, the price of labour, a point in which the balance is greatly in favour of France; the wages of an able-bodied labourer not exceeding (Chaptal sur l'Industrie Française, vol. i. p. 245.) six shillings a week without victuals, a rate considerably below any reduction that we can reasonably expect from the fall in the price of provisions. This advantage is not lessened, as

some of our countrymen may imagine, by any personal inferiority on the part of the French peasantry, who repair to their work at as early hours, and continue engaged in it with as much steadiness and activity as our own labourers. Add to this, that the saving we have mentioned is enjoyed by the French farmer equally in the case of domestic servants, whose diet is plain and whose habits are sober. In what, then, shall we be able to find on our side of the Channel a counterpoise to this essential advantage? First, our implements, particularly those of iron, being much superior, enable men of the same bodily power to do more work, or to do it better. Secondly, the use of machinery, such as threshing-mills or drilling-implements, is almost totally unknown in France. Thirdly, our farms are of appropriate size; while those of our neighbours, limited often to such petty occupancies as those of our ancestors of the 16th and 17th centuries, afford no field for the beneficial employment of either capital or machinery. Lastly, our farmers, in borrowing money, pay an interest less by one, or one and a half per cent., than is required in France, six or seven per cent. being a very common rate in that country.

A long list of the agricultural disbursements of the two countries is thus made to balance, and the remainder of the parallel is brought within a comparatively narrow compass. It may, in fact, be considered as reduced to two points: on the one hand, the contingency of benefit to the English agriculturist from the corn-laws; on the other, the heavier excise and customs to which he is subjected. A protecting duty is not unknown in France; and, under the provisions of the late

acts of 1819 and 1821, the price of 46*s.* or 47*s.* for the Winchester quarter of wheat is apparently secured to the farmer; but, in a country which usually grows its full consumption, regulations affecting import must be of rare and temporary operation. We pass over, therefore, this frail support, and proceed to the permanent and substantial points of difference in the condition of the British and French farmer. These will be found in the magnitude of our taxes on consumption. Our custom duties, being chiefly on luxuries, do not very greatly affect our agriculturists; but, among our excise duties, the tax on leather, which, after the late reduction, still forms a burden of nearly 150,000*l.* on our peasantry, is unknown in France; while our duties on malt, beer, and corn-spirits, amounting, after the late abatement, to the surprising sum of 9,000,000*l.* sterling, are feebly met by the French taxes on wine, cider, and malt. In years of over-stock of corn, like the present, the whole of the very large sum we have mentioned may be said to form a charge on our agriculturists, exactly as the tax on sugar, in a season of over-growth, falls on the West India planter. These, however, are happily extreme cases; and we shall at present suppose them out of the question, calculating that of such duties no more is usually borne by our agriculture than the portion paid for the consumption of the farmers and peasantry. Even then, it will exhibit a sum of 3 or 4,000,000*l.* sterling; a sum which, added to the 1,000,000*l.* by which our tithe and poor-rate exceed the French *foncier*, may be said to represent the greater share of public burdens borne by the British agriculturist. These form a permanent disadvantage on his side, except in as far as they

receive a counterpoise from the operation of our corn-laws.

What then, it may be asked, is at present the respective situation of the agriculturists in the two kingdoms? Rents, which in this country were doubled, and, in many cases, more than doubled during the war, experienced in France a comparatively slender increase; and it may, without fear of contradiction, be asserted, that in 1814, the rental of England, which, distinct from Ireland and Scotland, amounted (see p. 138.) to 40,000,000*l.*, approached to that of a country of nearly three times its population. The rental of France, however, was much more secure: the price of corn in that country is little lower in peace than in war; and the travellers who passed over her departments, did not, until the present year, hear much of those reductions of rent and wages, which among us have been going on on so large a scale since the peace. The price accounted sufficient to enable their agriculturists to live and pay taxes, is about 15*s.* the Winchester quarter, in peace.

We shall now suspend our continental parallel, and bestow a few paragraphs on one of a different kind; on the comparative situation of our agriculturists and manufacturers.

Are our manufacturers actually benefited by protecting duties? That such is the case, and in a very considerable degree too, is the opinion of the majority of our agriculturists. It is true, however, only in a slight degree, as will soon be apparent from the following facts. The total value of British manufacture annually prepared, whether

for home consumption or export, was computed in 1812, by Mr. Colquhoun, at 123,000,000*l.* Since then their quantity has greatly increased; but as their price has experienced a great fall, we shall probably deviate little from the truth, in assuming that sum as a fair representation of their present aggregate value. But of this very large amount, the half, or more than the half, consists of the three great articles of cotton, woollens, and hardware; none of which receive protection from custom-duties, our manufacturers being enabled, by inherent advantages, to repel foreign competition, and even to meet our rivals in their own markets. Thus our cottons are cheaper than those of France, Germany, or the Netherlands, from various causes; the import of the raw material is a little less expensive, our machinery is superior, our supply of fuel more abundant, and the capital employed subject to a less heavy charge of interest. In hardware, we possess a similar advantage in point of fuel and capital, with farther aids in the carriage of the ore by water, and in a subdivision of labour, to which the Continent in no degree approaches. If in woollens our superiority be less decisive, and if the quality of French cloth be more substantial, the fact is, that from our power of giving long credit to Americans and others, we, as yet, retain possession of most of the foreign markets.

We have thus narrowed, very considerably, the extent of manufacture supposed to be benefited by protecting duties. We might go a step farther, and enumerate various articles (such as refined sugar or pottery ware), in which protection is out of the question; while the remainder that are more or less protected by our custom-duties do not, per-

haps, surpass the value of the agricultural produce to which favour is extended from the same quarter; our duties on foreign timber, flax, hemp, tallow, seeds, madder, butter, cheese, and rice, all operating, or being intended to operate, in favour of our agriculturists.

The account is thus balanced, with the exception of land-tax, tithe, and poor-rate; which, forming an extra burden on agriculture, and one of great amount, parliament have endeavoured to countervail by our corn-laws: at one time by a bounty on export, at another by a restriction on import.

What, it may be asked, was the real motive on the part of government for these multiform regulations, this long list of duties, drawbacks, bounties? Not to confer on any of the parties, whether agriculturist or manufacturer, an absolute advantage, but to reconcile them to the taxes imposed on the respective articles of their produce, and to prevent foreigners from underselling them in the home market. Under this impression, and considering the amount of tithe and poor-rate at present a dead loss to the landed interest, we can hardly coincide with the argument in the Agricultural Report of 1821 (pp. 23, 24.), that our landholders have not a *right* to custom-house protection. Our hesitation would arise from a very different cause: first, from a doubt of the efficacy of a protecting duty; and, next, from a dread that the expectation vulgarly excited by it would, as in the case of the bounty, lead to excess of home growth.

This shall be a subject of subsequent discussion: at present we shall conclude by a reference to our taxes on consumption. Of these, it does not

appear that the agriculturist has greater reason to complain than his mercantile or manufacturing neighbour. Those most severely felt are on leather, soap, candles, and glass; also those on tea and sugar, since they have been raised to their present immoderate rate. But these, as well as the farther imposts that form the long list of our excise duties, are paid in common by residents in towns; and if the pressure of the malt-tax be more heavily felt in the country, a kind of balance is afforded by the untaxed substitutes for groceries, which the country supplies to its inhabitants.

Danger of an over-extension of our Tillage.

This danger, which some years ago would have been treated as chimerical, we now find to have as strong a claim to attention and to precautionary measures, as the hazard of an over-extension of manufacture. Of the truth of this our readers will be satisfied on referring to our arguments in the preceding section; and, above all, to the fact, that with so small a number of inclosure acts (forty-eight annually), we have found the means of meeting every year, since the peace, the demand of more than 100,000 additional consumers. To what can this be mainly owing, except to the diffusion of improved methods, to the application of additional labour and capital to soils already under tillage? And who, in this age of agricultural discovery, in this season of abundant supply, both as to labour and capital, can with confidence predict either the limit or the result of such application?

In prosecuting this inquiry, our readers may, we believe, leave at once out of consideration all arguments against the increase of our growth,

founded on the expence of reclaiming poor soils; not that such expence is over-rated by Mr. Ricardo and others, but because it is unnecessary, a larger produce being obtained by bestowing additional culture on the better soils. If in regard to England and Scotland, our conclusions are called in question, and it is maintained that recourse to inferior soils must ere long follow an increase of our numbers, they can hardly be contested in respect to the sister island, where such extensive tracts of fertile land await the application of a better system. Under such circumstances, what security have our established farmers against the agricultural speculator except in a measure at first apparently disadvantageous to them, we mean the removal of a tempting contingency and an assurance, as far as can be conveyed by legislative regulation, that the prospects of agriculture are not of a nature to justify the transfer of capital from other lines of business? The true interest of both farmer and landlord is to beware of extending tillage, to adapt our growth, as nearly as possible, to our consumption; perhaps to keep the former somewhat below the latter, submitting, as after 1773, to a small but regular import. It is that course alone which can give assurance of a steady demand, of a generally brisk market.

The Corn committee of 1813, actuated by a strange mixture of ignorance and selfishness, recommended the prohibition of import, except when our own wheat should be at or above 105*s.* the quarter. Now if with the comparatively small encouragement held out by 80*s.* our tillage has so much increased, how much greater would have been the augmentation had the extravagant proposition of the committee been adopted by parliament?

What an extent of inferior soil would have been brought under the plough in the course of two years! What an overstock on the market before discovering the inefficiency of a corn-law to keep up prices!—an overstock admitting not of remedy, like excess of import, by shutting our harbours, but remaining in force for years, perhaps requiring the ruinous alternative of abandoning land under tillage.

Among the various expedients suggested by the distress of last year, was that of comprehending in the returns, which form our weekly averages, such Irish wheat as is sold in England: the result of this, in consequence of the inferiority of Irish wheat, is to render a return of 60*s.* equivalent as a representative of price, to 62*s.* or 63*s.* on the former plan of taking the averages. Under present circumstances this has no practical effect; but were our market to rise, we should soon see that all expedients of this nature tended to stimulate production to a hazardous extent.

After these arguments we may venture to hazard an opinion, which would otherwise have appeared not a little paradoxical, viz. that in peace the rate of duty on foreign corn is of importance to the public, *less as consumers of provisions*, than from their general interest in the welfare and good government of the community. The effect of a high duty would be temporary: extremes soon produce their own cure, and consumers might safely trust to the extension of home culture. The evil, however, would not stop there: the agriculturist would be sunk in distress, and the merchants and manufacturers would consequently be subjected to an extra share of the public burdens. Hence the importance of maturely weigh-

ing, not the demands of a particular class, but the interest of the public in the most comprehensive sense.

Farther, the misfortune of the present day is less the reduction of income than the evil of transition; and the public now expect such measures as shall set at rest this ruinous fluctuation. If our present *desideratum* be a general reduction of wages, salaries, and other money payments, not yet brought to their level, nothing, it is clear, can so effectually promote that object as a moderate rate of duty on foreign corn; an assurance, as far as assurance can be given, of our market being kept at a steady price! How satisfactory would it be to merchants, manufacturers, annuitants, and, above all, to farmers, to know on what probable price of corn they are to found their future calculations, to fix wages and salaries, to regulate their domestic expenditure.

In what manner, it may be asked, can a reference to the past be made instrumental in guiding us to a knowledge of the rate, calculated to form a fit protecting duty? By fixing our attention on the cost of raising wheat, not in a period such as that of the last thirty years, a period as anomalous in productive industry as in politics; but at a time when Europe enjoyed that tranquillity which she has happily now in prospect. Comparing the present and the former charges on our tillage, we shall find that labour, team, manure, may and ought soon to be brought back to a rate not much exceeding that of 1792: that tithe is necessarily proportioned to the market price of corn, and must follow its fall; while poor-rate, though more difficult of reduction, ought to yield to the substantial advantage of cheap provisions, and

the opportunity of work afforded by our manufactures.

Tendency of our Legislation to ultimate Freedom of Trade.

We shall now suspend, for a few moments, the consideration of temporizing measures, of the expedients devised to meet the pressure of the day, and carry our speculations to a more distant object; to the probable situation of our agriculturists and manufacturers of the next generation. In their time, our financial circumstances bid fair to be more favourable; and parliament, relieved from immediate urgency, may legislate with no other view than that of the permanent advantage of the country. It was long an opinion among our countrymen, that the landed and commercial bodies had opposite interests; that a tax imposed on the land was of no particular detriment to trade; and that the gains of our merchants were of little consequence to agriculture. In the present age a more ample experience, a community of suffering on the part of these great portions of the community, have taught them a more liberal doctrine. It is no where more emphatically urged than in the passage (p. 20.) of the Agricultural Report of 1821, where the intimate connexion, the strict dependance of agriculture and trade on each other, are proved by the evidence of the last hundred years of our history. Assuming, therefore, that such will be the ultimate basis of our legislative measures, we are naturally led to take a view of our productive industry somewhat more comprehensive than in the preceding paragraphs, and to inquire on what particular advantages our national prosperity has been and is likely to be established.

Every country possesses its physical characteristics, its peculiar and distinctive aptitudes. If, adverting to the early history of civilization, we cast our eyes over a map of Greece, and observe how much intercourse was there facilitated by maritime inlets, and by insular positions in a sea of easy navigation, we shall find it easy to account for the early improvement of that country, without ascribing any great share of influence to fortunate accidents, to the exploits of warriors, or the counsels of legislators. If we take a wider range, and inquire by what features the physical structure of Europe is discriminated from that of Asia or Africa, we shall find its advantages consist partly in a climate exempt from extremes, but more in the ample means of navigation afforded by the Mediterranean and the Baltic. Lastly, if, drawing nearer home, we endeavour to ascertain how it happened that Flanders was flourishing amidst the barbarism of the thirteenth and fourteenth centuries, we shall trace it principally to two causes; fertility of soil and ease of water communication. The latter, joined to the advantage of a free government, explains the still more remarkable growth of the Dutch provinces in the seventeenth century.

By what peculiar advantages has England been distinguished, and enabled to take the lead of France and Germany, countries equally favoured in soil and climate? In a religious and political sense, our superiority has consisted in the enjoyment of the reformed faith and a representative government; in a physical sense, in our extent of coast, and in the productiveness of our coal mines. Natural superiority of another kind we can hardly boast: our pasture is, indeed, richer than that of continental countries, and we consequently take the lead in horses, cattle, and, in some degree,

in the woollen manufacture; but whatever comes under the description of agricultural advantages, ought, we believe, to be left out of the question, and to be considered as balanced by the less variable temperature, the greater warmth of the Continent. Our farming is, indeed, much more advanced; but is not that the result of indirect causes, of the reaction of our trade and manufactures, of the application of capital to tillage and pasturage, and of our tenantry being thus enabled to occupy farms of suitable size, instead of the insignificant tenures still so common among our neighbours?

In what manner, it may be asked, is this reasoning applicable to the present discussion, the question of a protecting duty on corn? Our answer is, that we should greatly mistake our national prospects were we to suppose that we have as yet received all the benefit attainable from our superiority in the grand points of fuel and navigation; — on the contrary, it may safely be asserted, that we are not yet in the midst of our career, not half-advanced in the task of turning these advantages to account. Continental countries are making a very slow progress, either in navigating the ocean, in forming canals, or in working coal mines: in each of these our superiority still offers an ample basis for the superstructure of national wealth. It would probably be such as to enable our manufacturers, though taxed in regard to provisions, to maintain a competition with their continental rivals; but it is perfectly clear that they never will be able to do full justice to our national advantages until placed on a footing of equality in that very essential point. A reference to our custom-house returns would soon show how small our export of articles, such as

hardware, glass, and even woollens, is, in comparison with what it might be, were equality in the price of provisions added to our other advantages.

This opens to our view all the advantage that would arise from a free trade in corn, or from the reduction of the protecting duty to a lower scale than has as yet been contemplated, either by ministers or by the most temperate of their opponents.* In another place (see Appendix) we have appropriated a few paragraphs to this topic; and these, under present circumstances, are, perhaps, all that it is advisable to urge in regard to it. The landed interest are as yet but imperfectly apprised of the extent of its ultimate advantage to them; nor can we expect that their attention will be soon weaned from the high prices, the great nominal rents of former years. If our ministers are more deeply read in the science of national wealth, more fully convinced of the reaction of the prosperity of trade and manufacture on agriculture, they have objections of another kind; they cannot but regard a fall of prices as a virtual augmentation of the public debt. They are aware, likewise, of the evils of transition; and must, to use the language of the Agricultural Report, be anxious "to spare vested interests, and to deal tenderly even with obstacles to improvement, when long implanted in our system." To all these difficulties we have to add, that the exemption of our agriculture from tithe, and its extra share of poor-rate, would be an *indispensable preliminary* to a measure which would bring our corn market almost as low as that of the Continent. Now government, however convinced of the impolicy of these burdens in their present shape, could hardly fail to consider any change in

* Ricardo on Agriculture, pp. 82, 83.

long-established assessments, above all, any new demand on our exchequer, as replete with embarrassment.

Several of the late measures of ministers, such as the virtual renunciation of the Sinking fund, the extended freedom of navigation, the gradual transfer of the half pay and pension list into Long Annuities, evidently proceed on sound calculation. They might be supposed by the political inquirer to indicate an adequate estimate of our resources on the part of our political guides, were they not accompanied by such indecisive language as that which has been held by them in regard to the tithe of Ireland. That language seems to imply that ministers, though not unable to extend relief to the sister island, are distrustful of their power to meet the more extensive demands to which, in progress of years, the concession might give rise in England.

From these various considerations, we must be understood as regarding a state of freedom in our corn trade as a remote result; and as confining ourselves at present to the suggestion, that measures of a different kind, whether an occasional prohibition of import or a protecting duty, ought not to be invested with a character of permanency, but should be made to bear in their provisions a reference to that freedom which is likely to be our definitive policy. We say definitive, because, under present circumstances, we regard its adoption as less likely to be the result of any arguments that can possibly be urged, than of a continuation of low prices; which, by reducing the cost of production, and replacing our tenantry in nearly the same situation as in 1792, may cause our corn laws to *expire by a natural death.*

CHAP. VI.

Poor-Rate.

The subject of poor-rate has already engaged so much attention both in parliamentary investigations and published works, that we shall avoid all general discussion, and confine ourselves to what may be termed plain, practical topics, such as the comparative amount of money distributed at different dates to the poor, and the degree of pressure on the contributors. We take up the subject less as a national question, than as an appendage to our observations on agriculture: but our summary, brief as it may be, will, we trust, explain two points, at present little understood; — the great increase of parochial charge during the war, when labour in general was so liberally paid, and the very considerable reduction that is now taking place, notwithstanding the apparently less favourable state of our productive industry.

We propose to treat successively of the —
Origin and progress of our poor-law system;
Its degree of pressure considered as a tax;
Its effect on the condition of the lower orders.

Origin of our Poor Laws. — The origin of the English poor laws, a system so different from that of neighbouring countries, is to be traced to two causes, — the call, at the time of the Reformation,

for a provision for the poor, when deprived of charitable aid from monasteries; and the enhancement, both progressive and rapid, which, as we have seen in the preceding chapter, took place in provisions during the 16th century. The former may perhaps be termed the ostensible, the latter the real cause. Be this as it may, their conjunct operation led to various enactments in favour of the poor, which were definitively consolidated in the act of 1601, — an act prepared with all the care and deliberation characteristic of the ministers of Elizabeth, and which would never have received a pernicious extension had its execution fallen into proper hands. Its provisions were intended at first for the relief of merely the aged and infirm, and led to little beyond the degree of aid afforded at present to the poor in Scotland or in France; but, from unfitness on the part of annually changed overseers, and from the remissness always attendant on the unchecked disposal of public property, the act was in time construed into an obligation to find work for the unemployed generally, as well as to make up to those who had children the disproportion which in dear seasons took place between the price of bread and the rate of wages.

Our poor-rate became thus a fund, not merely for charitable purposes, but for the equalization of wages; a counterpoise to the fluctuations arising from inclement seasons, or from any cause productive of a rapid fall in the value of money. This result, certainly well intended, and which at first sight seems of beneficial operation, is found, on trial, to be replete with all that irregularity and abuse which it is so difficult to avoid in any interference with the natural course of productive industry. Of this, a striking proof is given not

only in this country, but in the New England states, and in the state of New York; for even in these, the countries of the world in which the pay of the labourer is most liberal, the number of paupers is large. They are, happily, the only foreign countries in which our example has been imitated. On the continent of Europe the public institutions afford protection only against infirmity and extreme penury: even Holland, so long noted for its hospitals and charities, has not a poor-rate on the comprehensive plan of England.

Its Progressive Extension. — Our records of the distribution of relief to the poor during the seventeenth century are very imperfect: its amount, however, must have been considerable in the first half of the century, in consequence of the continued rise of corn during the reign of James I., and part of that of Charles I. But during the thirty years that intervened from 1660 to 1690, the price of corn was on the decline, and the country experienced in no great degree either the visitation of inclement seasons or the burden of military expenditure. In the reigns of William and Anne the case was far different; an enhancement of corn consequent on bad seasons, on war, and interrupted navigation, concurred with the disorder in our currency to render a state of suffering general among the lower orders, and to give a melancholy corroboration to their claims for parochial relief. The number of persons receiving such aid is said (Clarkson on Pauperism) to have amounted, towards the close of the seventeenth century, to as large a portion of our population as at present, viz. a tenth part of the inhabitants of England and Wales. The amount of money

collected for this purpose has not been put on record: it is said, somewhat loosely, but without much appearance of exaggeration*, to have approached at the period in question to a million sterling; a burden heavily felt in these days of limited rental, and productive consequently of great complaints.

The long peace and reduced price of provisions which followed the treaty of Utrecht, were both conducive to the decrease of poor-rate, and, notwithstanding an increase in our population, we find that in the middle of the century, viz. in the three years ending with 1750, its amount did not (Reports on the Poor Laws in 1817 and 1821) exceed an average of - - 700,000*l.*

After 1760, the charge for the poor participated in the general charge which took place in the state of prices, and amounted in that year to 965,000*l.*, while at a subsequent date, in 1770, it was carried to - - 1,306,000*l.*; so much did the effect of indifferent seasons and the enhancement of corn counterbalance the otherwise favourable circumstances of the period — the enjoyment of peace, the extension of our manufactures. Next came the contest with our colonies, along with the various losses attendant on interrupted export, and the suspension of undertakings dependent on a low interest of money, the result of which, in concurrence with other causes, carried the charge of poor-rate in 1780 to - - - - 1,774,000*l.*

The peace of 1783, though favourable in the main, was not unaccompanied by the evils of

* Sir F. Eden on the State of the Poor.

transition. Our productive industry partook at first of the discouragement excited by the loss of our colonies; and though it soon exhibited symptoms of vigour, and even of prosperity, the price of bread was kept up by the indifferent harvests of 1788 and 1789. When to this we add the increase of our population, and make allowance for the progressive introduction of abuse into a system subject to so little check or controul, we need not be surprised that in 1790, the sum collected for the poor amounted, when joined to the minor rates for highways, church, and county charges, to - - - 2,567,000*l.*

Such was the state of our poor-rate at the beginning of the French Revolution, the time when we entered on a course of circumstances productive of a rapid change in the value of money. Hitherto the augmentation of our rates had been gradual, a century elapsing before they doubled, a ratio of increase little greater than that of our population. But after 1793, the concurrent effect of war and indifferent seasons rendered the price of bread so disproportioned to the wages of country labour, that in 1800 the poor-rate, exclusive of the highway, church, and county-rate, amounted to - - - 3,861,000*l.*

In 1810 to - - - 5,407,000*l.*

And in 1812 to - - - 6,680,000*l.*

The peace of 1814 was followed, as is well known, by a rapid fall in the price of corn, which continued during two years, and had, notwithstanding the many new claims for parish relief arising from want of work, the effect, on the whole, of a partial reduction of the poor-rate. This is apparent from the subjoined table.

RETURNS FOR ENGLAND AND WALES.

	YEAR ending Easter, 1813.	Easter, 1814.	25th March, 1815.
	£.	£.	£.
Total money received by poor-rate, and, in a smaller degree by church-rate, highway-rate, county-rate, &c. in England and Wales	8,651,438	8,392,728	7,460,855
To these sums are to be added charitable donations, whether arising from land or money, managed by the clergy, churchwardens, or overseers: Annual average -	238,310	238,310	238,310
EXPENDITURE.			
For the maintenance and relief of the poor	6,679,658	26,97,331	5,421,168
Law-suits, removal of paupers, and expences of overseers or other officers - - -	325,107	332,066	324,665
Families of militia-men and other militia charges - - -	246,202	188,576	105,394
Church-rate, county-rate, highway-rate, &c. - - -	1,614,871	1,692,990	1,657,627
£	8,865,838	8,511,863	7,508,854

The average of the two years 1815 and 1816 was,

church, county, and highway-rate - - £1,212,918

Maintenance and relief of the poor, including law-suits, removal of paupers, and expence of overseers 5,714,506

In all - - £6,937,425

The poor-rate was thus in progress of reduction, both as to the amount levied, and the numbers of individuals relieved, when a general re-action took place, in consequence of the high price of provisions that followed the bad harvest of 1816.

AVERAGE OF TWO YEARS.	Relief and Maintenance of the Poor; also Law Suits, Removal of Paupers, and Expence of Officers.	Church-rates, County-rates, Highway-rates, and Militia-charges.	TOTAL.
	£.	£.	£.
1816 and 1817	6,918,217	1,210,200	8,128,417
1817 and 1818	7,890,148	1,430,292	9,320,440
1818 and 1819	7,531,650	1,300,534	8,932,185
1819 and 1820	7,329,594	1,342,658	8,719,655

Such was the unparalleled amount of our payments for the poor during an interval when a high price of corn unfortunately concurred with the derangement of productive industry arising from our great national transition. Since 1818 the amount of this formidable charge has experienced a progressive, though far from rapid reduction. In our manufacturing districts the low price of provisions, and the increase in our exports, have afforded great relief: in the agricultural, the case has been reversed from the discouragement of all farming operations requiring a number of hands, or attended, in any shape, with considerable expence.

Total expenditure for the poor of England and Wales, in the year ending 25th March, 1821, (exclusive of county and other rates) - - £6,947,660

For the year ending 25th March last, the returns as yet received exhibit a diminution, which, joined to a further reduction in the year now in progress, appears to justify our assuming the total of our present expenditure for the poor, at - - £6,000,000

NUMBER OF PERSONS RELIEVED.

	YEAR ending Easter, 1813.	Easter, 1814.	March 25th, 1815.
Poor permanently relieved in workhouses	97,223	94,085	88,115
Ditto, ditto, out of workhouses (without reckoning children) -	434,441	430,140	406,887
Parishioners relieved occasionally - -	440,249	429,770	400,971
Total of paupers relieved - -	971,913	953,995	895,973

Workhouses.—The preceding return exhibits in a separate line the number of poor living in workhouses. This plan is, in a manner, peculiar to England, the public establishments in other countries being confined to hospitals or houses of correction. The workhouse plan, originally adopted above a century ago, received a great extension from an act passed in 1782, commonly called Gilbert's Act, from the name of the member of parliament by whom it was framed. This act, aiming to combine the advantages of an assemblage of a

number of poor on one spot, of a minute division of labour, and a joint management of disburse, empowered all magistrates to consider any large workhouse as a common receptacle for the poor throughout a diameter of twenty miles. Sound as these reasons apparently were, the plan has as yet been by no means successful: proper care has seldom been taken to separate the inmates of the workhouses according to their age or their habits; nor has the division of employment been at all carried to the necessary length. Their earnings have consequently been insignificant, and the charge to the parish amounts, in general, to 9*l.*, 10*l.*, or even 12*l.* per head, while half the sum would suffice, if paid to the poor at their own habitations. It is thus in some measure fortunate that the limited extent of our workhouses hardly admits above 100,000 individuals.

Scotland and France. — It is a general notion in England that Scotland has no poor-laws,— a notion originating in the very satisfactory circumstance of the lightness of her poor-rate. But there are and have long been in that country statutes enacting that certain funds shall be faithfully applied to the relief of the poor. These funds, however, are levied by a very easy process: first, from collections made at the parish church; next, from the interest of money or rent of land bequeathed by individuals for the use of the poor; and lastly, from a moderate assessment paid in general half by the landlords, the other half by the rest of the parish. In 1817, a year of scarcity and distress, the total poor-rate collected in Scotland was 119,000*l.*, of which nearly 70,000*l.* proceeded from charitable collections and donations;

the remainder from assessment. The latter, however, did not extend over the whole of Scotland, being levied only in the low country, particularly in the districts containing manufacturers; while the mountainous countries of the north remained, as they have always been, exempt from assessment.

The paupers in Scotland are in the proportion of only *one in forty*, a proportion which would doubtless have been increased, had the high price of corn, and the attendant operation of the English poor-laws, continued; for it is a truth of serious import, that the distribution of a parish allowance to manufacturers in England operates as a serious comparative disadvantage to their humble brethren in the north. Thus, when in a depressed branch the wages are equal to only 8*s.* or 9*s.* a week, the allowance of poor-rate to the English manufacturer may, and generally does, carry his receipt to 10*s.* or 12*s.*, a difference which has had the effect of inducing a number of the Scottish workmen to forsake their homes.

What, it may be asked, have been the causes of so material a difference in the management of the poor in Scotland and in England? The two countries embracing the Reformation in the same period, and falling under the sway of the same sovereign soon after the enactment of the poor-law of 1601, the regulations were originally similar; but in Scotland their execution was vested, not in temporary officers, such as churchwardens and overseers, but in the landholders, clergymen, and elders or deacons, whose functions were permanent, and whose personal acquaintance with the poor enabled them to act with discrimination. The good effects of this plan, evinced as they have been by the practice of two centuries, induced the

Committee on the Poor Laws in 1817, to recommend that in England the overseer should be a permanent officer with a salary, and should act, if necessary, for several districts; a practice that has since been adopted with a beneficial result in a number of the parishes and townships of England.

In France, before the Revolution, the poor were supported, as in Spain, Italy, and other Catholic countries, chiefly by the abbeys, priories, and other beneficial establishments. These sources of income being absorbed in the sweeping changes of 1790 and 1791, there took place in the legislative assembly a long discussion on the fittest mode of proceeding for the poor: the result was a decided determination to avoid the English plan, but to provide at the public charge a fund of about 2,000,000*l.* a year, for the relief of the aged and infirm throughout the whole of France. In the disorders of succeeding years, great defalcations took place in regard to this fund; but in the reign of Bonaparte there were imposed, or rather revived, *octrois* or dues on wine, cider, spirits, and other articles of consumption, paid on their introduction into towns. The imposition of a tax was in these days a matter of far greater difficulty in France than in this country; and the revival of the *octrois* was for a time attempted only as a fund for charitable purposes; but when the public became accustomed to this mode of contribution, its rate was augmented, and the proceeds rendered available to a variety of local purposes.

In addition to the aid arising to the poor from these dues, collections are made by subscription in the depth of winter, or on the occurrence of extraordinary distress; and, finally, in a season of general hardship, such as the winter that followed

the bad harvest of 1816, occasional issues are made from the public treasury, on the application of mayors or local magistrates. In Paris there are a number of hospitals: in the large provincial towns there are, in general, two, one for the sick, the other for the aged. These institutions, however are managed with all the laxity and want of method so common among our southern neighbours: mendicity is unrestricted, and prevails in many places to a reprehensible degree. In fact, the dwellings of the lower orders throughout France generally, whether in the country or in the suburbs of a town, exhibit to an English eye a very bare and denuded appearance. But to account for this general aspect of poverty by the want of parochial aid, would be as erroneous as to ascribe the comfort of the lower orders in Holland, to the aid afforded by charitable contributions. In that country, as in England, the better lodging and better furniture of the poor are the result of long-continued commercial activity; of the ample supply of work, of the habits of care, cleanliness, and order, which, in the course of time, it imparts to the agricultural portion of the community.

Poor Rate considered as a Tax. — Our next, and equally interesting object of inquiry regards the contributors to the poor-rate, and the comparative degree of pressure imposed on them at different periods. And here our readers must be prepared for our making a large deduction from the increase of burden indicated by the numerical returns of poor-rate during the late wars; a deduction justified on two grounds, — the depreciation of the money in which it was paid, and the increase in

the number of the contributors. In what manner, it may be asked, do the latter receive an increase? Of those who pay poor-rate it may be safely assumed, that the augmentation, in point of number, is on a par with the general augmentation of their countrymen; and we shall probably not err by assuming, that our national resources increase in proportion to our numbers. This opinion, already advanced in our pages, and about to be more fully developed in the sequel, we shall for the present consider as admitted, and extract from the work of a diligent inquirer into such subjects, (Barton on the Labouring Classes, 1817,) a table in which these different considerations are taken into account.

Table of the Annual Expenditure for the Poor, computed with reference to the Price of Corn, and the general Increase of our Population.

Periods.	Average price of Wheat.	Average of Annual Expenditure on the Poor.	Forming a Charge per Head on the whole Population of the Kingdom.
	s. *d.*	*£.*	
From 1772 to 1776.	48 2	1,556,804	41 pints of wheat.
1781 to 1785.	49 2	2,004,238	53 Do.
1799 to 1803.	84 8	4,267,965	54½ Do.
1811 to 1815.	93 2	5,072,028	50 Do.

To judge from this sketch, the burden of the poor-rate, estimated not by the price, but by the quantity of subsistence, had actually begun to decline before the close of the war; but instead of pressing any inference on this head, we point the attention of our readers to the near approach to

uniformity in the *real* charge at the time of the greatest apparent variation. This inference is farther confirmed by the following extract from a pamphlet on Pauperism, by Mr. W. Clarkson, published in 1815.

Year.	Population of England and Wales, about	Total of Rates, including Highway, Church, and County-rates.	Number of Paupers relieved.
1688	5,300,000	£665,362	563,964
1766	7,728,000	1,530,804	695,177
1783 } 1785 }	8,016,000	2,004,238	818,851
1792	8,675,000	2,645,520	955,326
1803	9,168,000	4,267,965	1,040,716

In the fifty years that elapsed between 1764 and 1814, the increase of our population was as 7 to 11, and the rise in the price of provisions exceeded the proportion of 7 to 13. It was natural, therefore, that the poor-rate of the latter period should require a sum augmented in this compound *ratio;* a sum (24 to 7) more than triple that of 1764; so that we need hardly wonder that 5,000,000*l.* should go no further in its discharge in 1814, than 1,500,000*l.* in the beginning of the reign of George III.

Wages paid by Poor Rate.—It is a great, though very common error to account poor-rate a *bonâ fide* tax, an actual sacrifice to its apparent extent. But the leading rule of our system, particularly in the west of England, is, to afford relief to the lower orders on a conjunct calculation of the price of bread, and the number of children in a family. An allowance made on this plan represents less the de-

gree of distress prevalent in the country, than the difference between the market price of provisions, and the existing rate of wages; a rate, perhaps, transmitted with little variation from years of greater cheapness. It is thus that our poor-law system was rendered, during the late wars, an expedient for *preventing a rise of wages*, as far at least as regarded country labour, on the avowed ground, that wages once raised cannot be reduced without the greatest difficulty.

What, it may be asked, was the effect of the war on the price of labour generally? To increase the demand, and to place a number of the lower orders, whether manufacturers or mechanics, in a better situation than in peace. In no department did it render the demand greater than in agriculture, and in none did the wages of the labourer experience a greater rise in Scotland; but in England, at least in most parts of England, from the effects of an artificial system, the case was very different. Wages were subjected to regulation; and their rise, though considerable, being inadequate to the rise of corn, the unavoidable result was a great increase of poor-rate. It is only thus that we find it possible to explain the remarkable anomaly, that in a period when farming was flourishing beyond example, the number of agricultural paupers should increase. And here we must take occasion to qualify the assertion, that paupers are most numerous in trading and manufacturing districts. In Bedfordshire and Herefordshire, the two counties which employ the largest proportion of their inhabitants in agriculture, the same progressive augmentation of assessment took place, notwithstanding the great demand for labourers during the war.

Extract from the Report on the Poor Laws, 1817, p. 8.

	Expended on Paupers in 1776.	Average expenditure of 1783, 84, 85.	In 1803.	In 1815.
Herefordshire .	£10,593	£16,728	£48,067	£59,256
Bedfordshire .	16,663	20,977	38,070	50,371

The next question is, what proportion of the poor-rate ought we to deduct from our estimate of it as a tax, and consider in the light of an equivalent for wages? This inquiry is complicated, involving a reference to the rate of wages in Scotland, and the counties in the north of England, where poor-rate is comparatively light. The proportion, besides, must differ materially under different circumstances, in consequence of the greater or less demand for labour. In this uncertainty, and in the absence of the necessary documents, we are confined to a conjectural estimate; but if a third of our poor-rate is to be thus accounted for, we exclude the idea of a tax or sacrifice to the extent of nearly 2,000,000*l.* annually, during the last ten years.

Mode of assessment. — Amidst the various suggestions entertained during the agricultural distress of 1816 was that of rendering the burden of poor-rate national, instead of parochial; of paying it out of a general, instead of a local fund. This proposition is noticed here, merely to show its absolute inexpediency. Under our present system, it could be accompanied by no adequate checks, — by no satisfactory rule for restricting either the number or the allowance of the pensioners. In Scotland, in France, in short, in all countries with which we are acquainted, the relief of the poor is

defrayed by a local contribution. But while we determine to keep up the distinction of parishes and townships, and to oblige each to provide for its poor, there seems ample room for a change perfectly compatible with the maintenance of local distinction: we mean new-modelling the assessment of property. At present the whole falls on land and houses; but would not, we may ask, the income of the inhabitants of the parish generally, returned on a plan somewhat similar to that of the property tax, form a much more equitable basis of repartition; particularly since the landed interest appear to have lost their principal stay — the counterpoise afforded by the corn laws.

The yearly rental of the land and houses of England and Wales, on which poor-rate was collected in 1803, did not (Clarkson on Pauperism) exceed	£24,000,000
The latter years of the war exhibited both a large increase of rental and a more correct return, the amount assessed, being (Report on the Poor Laws, 1817) not less than	51,898,000
But increase of demand followed, or rather accompanied increase of means: the rate 3*s.* 7½*d.* in the pound in 1803, was not below 3*s.* 4*d.* on the far larger sum assessed in the years 1812, 1813, 1814. At present, whatever be the official allotment, the burden bears a larger proportion to our resources, because, since the great fall of corn the assessable rental of land and houses can hardly be computed to exceed	40,000,000

In 1803, the sum collected for the use of the poor was below 4,000,000*l.*; and if, in some years hence, it be reduced, as we anticipate (see Appendix to the chapter on Agriculture) to a sum (4,500,000*l.*) not greatly exceeding that amount, it would form a charge of from two shillings to half-a-crown in the pound on the rent of our land

and houses, valued at 40,000,000*l.*; but, if levied on the income of the parishioners generally, 4,500,000*l.* would form a rate of less than *one shilling* in the pound.

Is our Poor-law System beneficial to the Lower Orders? — On this much-disputed question we shall dwell no longer than to point out a few results, arising from a comparison of documents and calculations, applicable to the situation of the poor at different periods. First, it would be a gross mistake to take for granted that the rise of wages, and the increase of parochial aid afforded in the present age, (more particularly during the twenty-five years from 1795 to 1820), counterbalanced the enhancement of provisions, and had the effect of rendering the situation of the lower orders more comfortable than in the preceding period. A very different conclusion is suggested by the following calculation made by Mr. Barton, who, in his pamphlet on the "State of the Labouring Classes," published in 1817, shows, that whatever may have been the case in towns, the wages of the country labourer, estimated by his power of procuring subsistence, experienced a considerable diminution in the sixty years between 1760 and 1820.

Statement shewing the Proportion of the Wages of the Country Labourer to the Price of Corn.

Periods.	Weekly Pay.	Wheat per Quarter.	Wages in pints of Wheat.
	s. d.	*s. d.*	
1742 to 1752	6 0	30 0	102
1761 to 1770	7 6	42 6	90
1780 to 1790	8 0	51 2	80
1795 to 1799	9 0	70 8	65
1800 to 1808	11 0	86 8	60

Happily the other articles of the expenditure of the lower orders, in particular clothing, were enhanced in a far less degree than bread. Without this advantage their situation, favourable as was the period to our national prosperity, would have been deteriorated, as will at once appear by a reference (see Appendix) to the table of the constituents of family expence in the middle and lower classes. We there find, that while provisions form only 30 or 40 per cent. of the disburse of the former, they amount to more than 70 per cent. of the more rigorously calculated out-lay of the lower orders. A still more serious confirmation of the importance of the price of corn to the poor, will be found in another short extract from Mr. Barton's tables. Inefficacy in point of relief has seldom been urged against our poor-law system, but the following return shows that it is far from being completely successful in preventing an increase of suffering, and even increase of mortality, among the poor and their children, in times of scarcity. The return comprises seven manufacturing districts in England, distinct from each other.

Years.	Average Price of Wheat per Quarter.		Deaths.
	s.	*d.*	
1801.	118	3	55,965
1804.	60	1	44,794
1807.	73	3	48,108
1810.	106	2	54,864

It was thus equally desirable, on grounds of humanity and of policy, that the price of provisions should experience a reduction. It was in 1820 that this took place on a large scale; and the fall

of wages, though considerable, being still far from proportioned to it, the condition of the lower orders, at least of all who can find employment, has experienced a favourable change. Were we in possession of returns to a late date, Mr. Barton's parallel of weekly pay and price of wheat (p. 199.) might be continued, and would exhibit an approximation to the wages of the middle of last century; in some measure in the smallness of the money amount, more in its efficiency in the purchase of provisions.

But without such a return, enough appears to establish the important fact, that notwithstanding the relief afforded by an increase of poor-rate, the condition of the labouring classes experiences a very unfavourable change on the enhancement of corn; while, in return, it is greatly to their advantage that provisions should fall and rates be reduced. Need we then wonder, that in 1810 the framers of the Bullion Report should have considered the situation of the country labourer deteriorated by a continuance of high prices, notwithstanding the increase of parochial aid; or, that during the last and present year, ministers should have accounted the public tranquillity so firmly secured, as to admit of a large reduction in our army?

We come next to the objections urged against our poor-laws, viz. that they induce the labouring class to contract premature marriages, depress their circumstances by an undue increase of their numbers, and accustom them to a state of humiliating dependance. Admitting that these charges are considerably exaggerated (since the poor increase their numbers almost as quickly in Scotland, where there is so little parochial aid), a

sufficient proof of the radical defects or absurd misapplication of our system, is afforded by the fact, that aid, originally restricted to the aged and infirm, should be extended to more than a twelfth part of our population; for the persons receiving parish relief in England and Wales, amount, without reckoning children, to nearly a million. But, unluckily we cannot speak with approbation of the course as yet pursued in other countries, in regard to the poor: that which is followed in Scotland is charged with a degree of indifference to their sufferings in dear seasons; a time when (Evidence of P. Milne, Esq. M. P., before the Poor Law Committee) necessity prompts labourers to undertake task-work at reduced rates, and frequently to exceed their strength. A similar feeling must have occurred to most of our countrymen who have lived on the Continent, and witnessed the habitual privations of even the sober and industrious among the lower orders who have families. Hence, a reluctance on the part of many benevolent minds to reduce our allowances to the poor, or to relinquish the hope of solving that most interesting problem, the means of lessening to them the pressure of a family. These persons will, we believe, find that to attain this humane object, the better plan is to forego our attachment to system, and to relinquish, as soon as in our power, whatever is artificial in our regulations, under the conviction that no contrivance, however ingenious, no combination, however plausible, can be so advantageous as the plain rule of enabling the poor to provide for themselves. Much has been lately done to this effect, by the reduction of the duties on salt and leather: let our grand object be, the removal of the remain-

ing obstacles, whether existing in the shape of taxes on the necessaries of life, or of restrictions on employment, such, for example, as arise from our duties on coals carried coastwise or by canal.

A tax on a necessary of life has, in regard to the poor, the same operation as the enhancement of corn: wages do not become proportionally augmented, and a new pressure falls on those least able to bear it. The heavy tax on leather imposed in 1813, was, doubtless, for a time, an absolute sacrifice on the part of the lower orders. That they are indemnified, or partly indemnified, in the rate of wages, at times when their services are in demand, we do not deny; but the equivalent is uncertain, while the sacrifice is unavoidable.

From this painful consideration, we turn to the consolatory reflection, that "any reduction of the taxes on the necessaries of life, may, with confidence, be considered the forerunner of a reduction of poor-rate." The more the charges on the necessaries of life, in this country, are approximated to those of the Continent, the more we perform towards confirming the superiority of our manufacturers; resting the support of our lower orders on the *basis of the wide world*, *instead of England*, and substituting for an eleemosynary grant, the earnings of independent labour. Is it necessary that we should specify the advantages with which our countrymen enter on the field of competition with their continental neighbours? They have the aid of productive mines, of extensive water communication, of a minute subdivision of labour, of habits formed by ages to productive industry. These grounds of superiority, imperfectly perceived by Englishmen who have

remained at home, are amply appreciated by all who have witnessed the slow progress, the deficient resources, the general backwardness of most countries on the Continent.

But while the benefit arising from a reduction of such taxes is admitted, the practicability of carrying such reduction to any considerable extent may be questioned by those who look to the magnitude of the wants of government. These persons, however, would soon modify their objections, were they to give due attention to a few fundamental truths, viz. that the only solid basis of taxation is the extension of productive industry; that the proceeds of a tax by no means decrease in proportion to the reduction of its rate; and that new and unforeseen resources are opened by the increased activity consequent on such reduction. Whenever circumstances shall admit of giving a complete latitude to the course we recommend, the public may safely take for granted, that England will have, if not fewer paupers, at least fewer real sufferers from poverty, than any other country in Europe. Our upper classes would then find their duties towards the poor greatly simplified; they would be justified in confining their interference and aid to cases of urgency; such as an inclement season, a great and general transition like that from war to peace, or from peace to war; or, finally, to a time when, as is at present the case of the lace-manufacturers on the Continent, a multitude of persons, habituated to work of a particular kind only, find their earnings suddenly reduced by the introduction of machinery. Assistance thus conferred would be substantial charity; exempt in its consequences

from the hazard and mischief attendant on our poor-law system, and, on that account, doubly gratifying to benevolent minds — to those who, eager to bestow, are withheld only by a doubt of their donations producing a beneficial result.

CHAP. VII.

Population.

Few subjects in the range of political science have given rise to more opposite theories than that of Population. It is now fully a century and a half since our venerable countryman, Judge Hale, taking doubtless for granted, like a number of reasoners in a more advanced age, that the quantity of food in a country is limited by physical causes, declared gravely from the bench, that "the more populous we are, the poorer we are:" and the present age has witnessed the promulgation of a doctrine of kindred import, though somewhat more elaborately expressed, viz. "that population is imperatively limited by subsistence." This opinion, proceeding from a writer of extensive research and professorial rank, has been very generally received, not only in England, but in the country of Dr. Smith; a quarter where political economy forming more particularly a study, we might naturally have expected a rigid scrutiny of its merits.

Of the various answers to Mr. Malthus, the most substantial in argument, though far from the most attractive in style, is the work entitled the "Happiness of States," published in 1815, by Mr. S. Gray; a work of which the leading principles were, some time after, developed in a more

condensed and popular form.* Far from coinciding with the uncomfortable doctrine, that increase of numbers leads to increase of poverty, Mr. G. maintains that augmented population forms the basis of *individual* as well as of national wealth. He has been, on the whole, fortunate in the events that have followed the publication of his opinion, the present abundance of subsistence being particularly calculated to relieve the alarm of those who considered our numbers likely to outrun our means of support. Still the public mind is far from being completely satisfied in regard to the benefit arising from augmented population: the reasoning in its favour has not yet made its way generally, and a want of work among our lower orders is attributed by many to a population increasing too rapidly for employment, if not for subsistence. In this view of the subject, we are far from joining, and proceed to investigate it at some length, in the hope of finding not only a confirmation of the consolatory and cheering doctrine of Mr. Gray, but of being enabled to go a step farther, and discover in the prospect of an increase of our numbers, a source of relief from our financial embarrassment.

Our principal topics of inquiry shall be —

The condition of society in an early age;

The change effected by increase of population;

How far subsistence is limited by physical causes;

The state of Europe in regard to increase of numbers and wealth;

The prospect of our own country in these respects.

* In two lesser works, entitled, respectively, "All Classes Productive of National Wealth," 8vo. 1817; "Gray v. Malthus, the Principles of Population and Production Investigated," 8vo. 1818.

Penury of an early Age.—The predilection with which the popular writers of almost every country have contemplated a primitive age and the colouring cast over it by romantic imaginations, have had the effect of misleading the majority of readers, and rendering them strangers to the privations experienced by their forefathers. These, however, were far from inconsiderable: nothing, in short, could form a greater contrast to the comfort of an advanced state of society; and if in England we are happily unable to find an existing likeness to a rude age, the sister island will amply supply it. The Irish peasant, occupying a hovel without furniture, and carrying on his cultivation with wretched implements, may convey to us an idea of the state of England five or six centuries ago, as well as of the present state of a great part of the east of Europe, of Poland, Russia, Hungary, and the inland provinces of Turkey. To an English traveller, the improvement of these countries appears extremely slow; but aided as it is by the introduction of settlers from Germany and other parts, it is, of course, far less tardy than the advancement of Europe in the Gothic ages, when all were equally backward. In those days, a few cottages formed a hamlet, and many centuries elapsed ere the hamlet became a village. In point of property, extremes predominated: on the one side was the lord, on the other his vassals; while the middle class were few in number, and uncomfortable in circumstances.

Effect of increasing Population.—What a different aspect of society is exhibited after the rise of towns and the general increase of numbers! If we compare such countries as Russia, Poland, Hungary, or the Highlands of Scotland, with the more thickly

peopled districts of the Continent, such as the provinces of Holland, Zealand, Flanders, Normandy, or, on our own side of the Channel, with such counties as Lancashire, Warwickshire, the west riding of York (to say nothing of Middlesex) we find a surprising difference in the number and comfort of the middle class. A return of annual income from the first-mentioned countries, would exhibit a few princely fortunes, with a long succession of names below the limit of taxation: in the other, it would show a number of gradations rising above each other in a manner almost imperceptible. How different is the England of the present age, from the England of feudal times, when our towns were in their infancy, and when the Commons or middle class were too unimportant to hold a share in the representation, until brought forward by the crown as a counterpoise to the aristocacy.

In what manner does the progress of improvement, the transition from penury to comfort, in general take place? It has a very close connection with increase of population: the assemblage of individuals in towns is productive of a degree of accommodation, comfort, and refinement, which would be altogether beyond their reach in an insulated position: the acquisition of one comfort creates a desire for another, until society eventually attains the high state of polish which we at present witness in a few countries of Europe. All this, says Mr. Gray, leads the consumer to make fresh demands on the producer; demands reciprocated by the latter on the former, in a different line of business. Hence, the dependence of one class on another; hence, the prosperity caused to agriculture by the success of trade, and to trade by the

success of agriculture. It is of no great consequence to our argument, whether these wants are of first or of second necessity, that which is deemed a superfluity in one country, being accounted no more than a comfort, a requisite in another. But what, it may be asked, is the criterion of the difference in this respect between different countries? The relative density, not of population generally, but of *town population*. This is apparent in almost every link in the chain of European civilization, Holland having in the seventeenth century taken the lead of England, exactly as England at present takes the lead of France; France of most parts of Germany, and Germany of Spain and Poland.

The distinction of town population from population generally, is important, for were districts strictly rural comprised in the calculation, Ireland would claim an equal rank with England, and Flanders take precedence of Holland. It is in towns only that we reap the advantage of collective over scattered population;—an advantage consisting in extensive markets; a minute subdivision of employment; the greater dispatch and finish of workmanship, and a supply of occupation to individuals of every age and every degree of capacity.

It is but too common among unthinking persons to consider new-comers as unprofitable intruders,—as dealers, not customers,—as sellers, not buyers. This, however, is but a superficial view, a first impression, for there is very little reason to doubt that in one way or another, these persons will disburse in proportion to their earnings; and when it happens that they do not, the only source of detriment to the public is the practice (now very rare) of hoarding; for money saved and lent at

interest becomes of service to the community, increasing the capital of the country, and lowering, or contributing to lower, the premium paid for its use. We may thus take for granted that much public advantage arises from the arrival of new settlers, whether manufacturers, such as England and Prussia acquired from France on the repeal of the edict of Nantes, or agriculturists, such as Canada and the United States are now receiving from us.

Population, however, is generally augmented less by settlers from a distance, than by a local increase; by an excess of births over deaths; a mode, which, very different from the easy acquisition of foreigners of mature age, implies a long and often a heavy charge, until the youth of either sex acquire the strength or knowledge requisite to their support; requisite, in the language of the economist, to constitute them "producers as well as consumers." Though in such a case the acquisition of new members is much more dearly purchased, the effect in a statistical sense is the same as in the case of arrivals from abroad.

Is the amount of subsistence limited by physical causes? — We now come to the much disputed point of the physical limits to increase of population; to the question, whether it is imperiously limited by subsistence, or possesses the power of augmenting subsistence in proportion to its own increase. The well known argument of Mr. Malthus is, that population, if unchecked, would proceed in a geometrical ratio (1, 2, 4, 8, 16, 32, &c.), while the supply of food cannot, he thinks, be brought by the greatest efforts of human skill and industry to increase otherwise than in the

arithmetical ratio of 1, 2, 3, 4, 5, 6, &c. This supposition, however, is altogether gratuitous, the idea of a geometrical ratio applied to population being founded on a single example, that of the United States of America, a country presenting a remarkable combination of advantages;—a territory of vast extent; a river navigation of great importance; a people enjoying unrestricted intercourse with the civilized world, and closely connected in language and habits with the most commercial and colonizing portion of Europe. Such an example is necessarily rare, and ought to be considered an extreme case: a more satisfactory result as to the average increase of population would be obtained from a combination of cases, among which, assuming the United States as the example of the most rapid augmentation, we may take, as the second, England, in which, under circumstances more favourable than on the Continent of Europe, but less so than on the other side of the Atlantic, population has doubled within the last century, and bids fair to double again in sixty or seventy years. As a farther example, we may take France, where, though the records are far from accurate, the doubling of the population appears to require a term of from 100 to 120 years. Other countries exhibit a greater or less degree of slowness in the ratio of increase, and as these returns apply to them when exempt from the visitation of war, pestilence, or any violent check to increase of numbers, Mr. Gray's inference is, that the average furnished by the whole may be assumed as indicative of the *natural progress of population*, in preference to the result afforded by a country the circumstances of which are altogether peculiar.

After establishing that the natural ratio of increase is less great than is advanced by Mr. Malthus, Mr. Gray proceeds to argue that such increase is no farther limited by the difficulty of obtaining food, than by the difficulty of obtaining clothing or lodging, because the supply of food, though apparently restricted by a physical cause, is, on a closer examination, found to depend on the amount of capital and labour applied to raising it. In arguing this very interesting question, Mr. Gray and the other opponents of Mr. Malthus, would do well to guard against the charge of over-confidence, and to make a distinct admission of the difficulty of raising a family, a task which to the middle classes is one of labour and anxiety; to the lower classes, of toil, privation, and often of distress. Of this heavy burden, what portion is to be ascribed to the charge of food? In the middle classes, food forms (see Appendix, p. 93.), between 30 and 40 per cent. of the whole expence of a family; but in the lower from 50 to 75 per cent., constituting thus, the grand article of charge in that class in which the pressure of a family is most severely felt. After this precautionary statement, we may safely allow Mr. Gray and his followers to give a latitude to their inferences, comprehensive as they are, viz.:—

That the quantity of subsistence in the world may be augmented in the same manner, and by the same means, as the quantity of our clothing, or the size of our dwellings; and

That an addition to our numbers implies no diminution of individual income or property.

Such assertions would have appeared not a little extraordinary during the greatest part of the war, when a continued insufficiency in our agricultural

produce favoured so strongly the negative doctrine of Mr. Malthus: they would have been received also with no small surprise during 1817 and 1818, when a scarcity of provisions, a general irregularity in the state of our productive industry, concurred to produce apprehension in regard to our increasing numbers. But a different lesson has since been taught us: we have now evidence that numbers, increased greatly beyond anticipation, may draw their subsistence from the same territorial surface; that produce may be greatly augmented without bringing new soil into cultivation. A similar result from a similar cause has been exhibited on the Continent of Europe, and if we refer to history, in particular to the long periods of peace subsequent to the treaties of Westphalia and Utrecht, we shall find the application of extra capital and labour producing a super-abundance of corn, although our ancestors, like ourselves, were under the firm impression of physical limitation to the productive powers of the soil.

Comparison of the present with former Periods. — How far does the preceding opinion appear to be confirmed by a general retrospect to the past? Were it true that the acquisition of subsistence becomes more difficult as our numbers increase, we should naturally expect to find the greatest abundance in a remote age; in times when the number of consumers was small, relatively to the extent of territory. But if we look back to the earliest periods of authentic history, to the ages when Greece and Italy were most thinly peopled, we find neighbouring tribes maintaining sanguinary struggles with each other, the motive of which, as far as regarded the lower orders, was the hope of acquiring addi-

tional territory, and increased means of subsistence. It is thus that we are to explain the obstinate warfare for small but fertile districts, such as the plain of Thyria, the plain of Tanagra, the Colles Tusculani, to say nothing of contests, in a record of higher authority, for the valleys of Palestine, or the banks of the Jordan. Had subsistence been abundant in these days, the inhabitants of the towns of Greece would have shown less eagerness in emigrating to new colonies; while at Rome, the demand of an Agrarian law would have been a less powerful lever in the hand of demagogues. But to confine our examination to our own country, and to times comparatively recent, how different is the present situation of our lower orders from that of their ancestors under Henry VIII., or under our admired Elizabeth, when, without any disposition to severity on the part of the sovereign or her ministers, the number of capital punishments (Speech of Mr. Fowell Buxton on our criminal code, May, 1821), averaged no less than five hundred annually! Various causes, in particular the want of education, must have contributed to this unfortunate prevalence of offences, but can any be supposed to have operated so largely on the part of the commonalty, as the difficulty of obtaining subsistence, although in that age our population did not exceed a third of its present number?

But what, it may be asked, was the cause of another circumstance,—of the supply of subsistence being so scanty, when the number of consumers was so small? Of this problem the solution is to be sought in the unproductiveness of even the fairest tracts so long as they remain in a state of nature. Whatever be the serenity of the climate or the richness of the soil, they continue unavailing

to any useful purpose, until the application of labour: by labour only can over-luxuriance be corrected, the forest cleared, a super-abundance of water removed from one spot, a deficiency of it supplied in another. It is to the performance of tasks like these, the most acceptable of any in an early age, that we trace the honours so liberally bestowed in ancient mythology,—the apotheosis of the warrior who drained the Lernæan marsh, and combated the savage occupants of the woods. But we are under no necessity of dwelling on an age of tradition, on a scene embellished by fiction: if we turn to plain reality,—to the times in which we live, and to a people noted for their adherence to the pursuit of substantial profit; if, in short, we fix our attention on the western states of America, or on Upper Canada, we shall find an example abundantly convincing of the unproductiveness of the finest tracts until improved by labour and capital.

It would be easy to multiply illustrations from history, but as our limits hardly admit of detail, we extract from one of the works already mentioned (Gray *versus* Malthus), a summary of the leading ideas in the opposite systems of population.

Mr. Malthus's leading Ideas.	*Mr. Gray's leading Ideas.*
The increase of population has a tendency to overstock, and to lessen the average amount of employment to individuals.	The increase of population tends to increase the average amount of employment to individuals.
The increase of population has a natural tendency to promote poverty.	The increase of population has a tendency to increase wealth, not collectively only, but individually.
The natural progress of population is according to the geometrical ratio 1, 2, 4, 8,	We have no rule for estimating the natural progress of population; the United States

Mr. Malthus's leading Ideas.	*Mr. Gray's leading Ideas.*
16, as evinced in the case of the United States of America.	are a solitary case, no other country increasing in the ratio; and, if an estimate is to be made, it would be more fair to take the average of a given number of countries.

So far Mr. Gray's ideas seem to require very little qualification; with the following the case is somewhat different:

Mr. Malthus.	*Mr. Gray.*
The amount of subsistence regulates the amount of population.	The amount of population regulates the amount of subsistence, in the same way as it regulates the supply of clothing and housing, because, with the exception of occasional famines, the quantity of subsistence raised depends on the amount of labour bestowed on it.
Population has a natural tendency to increase faster than subsistence.	Population has a tendency to increase, but this increase carries in itself the power of supplying its wants.

Our animadversions on these propositions of Mr. Gray, relate less to the argument than to the expression. That subsistence is augmented by labour and capital, in the same manner as manufactures and buildings, is perfectly true; but, as in the case of four-fifths of mankind, food forms by far the greatest article of charge, we may excuse writers of a less sanguine character for over-rating the difficulty of procuring it. From the unqualified, and sometimes confident tone of Mr. Gray, an inhabitant of Canada or the United States

might fall into the grievous miscalculation, that to procure food for a family in Europe, was a task of no greater difficulty than in his own country.

Progressive Increase of Population in Europe.

The arguments in the preceding table are of general application, referring to the state of mankind in every age and country. To give the question a more specific form, we shall now introduce a few statistical results, and fix the attention of our readers on the quarter of the globe with which they are best acquainted.

Effects of Soil and Climate. — Fertility of soil is too directly conducive to increase of numbers, to require illustration ; but in point of climate, we cannot avoid remarking that the superiority of one part of Europe over another, is, as far at least as regards the productive power of the soil, much less than is commonly imagined. The great art of the husbandman consists in adapting the object of culture to the peculiarity of the temperature. In various parts of Scotland, accounted half a century ago unfit for wheat culture, the progress of improvement has led to raising that grain both in abundance and of a quality fit for the London market ; while in the boasted climate of the south of France, the season is often too dry for wheat, and the frequent failure of that crop seems to point out maize as a more appropriate object of tillage. In regard to potatoes, the culture of which is so directly connected with density of population, the warmest and finest climate of the Continent has no superiority over our own. It is thus only, when in extremes, as in the bleakest

tracts of Russia, Sweden, and Norway, that climate has operated materially to restrict produce and population: the physical superiority of the south of Europe, whatever may be its eventual effect, has as yet been balanced by the political advantages of the north.

Effect of Communication by Sea, Rivers, Canals, Roads. — The effect of prompt communication in promoting commercial intercourse is sufficiently apparent, but its tendency to increase our numbers may require some explanation. What, in the first place, are the advantages enjoyed by the inhabitants of towns over those of the country; by a collected over a scattered population? They consist in a more ample field for sale or purchase; a better division of employment; greater dispatch and finish of workmanship; — a more varied supply of occupation, so as to suit individuals of almost any degree of strength or capacity. Now these advantages, arising, in a large town, from concentration of numbers, may, in a great degree, be enjoyed by places comparatively small and at a distance from each other, when connected by rivers, canals, or a line of sea-coast. Such was the origin of the prosperity of Greece; such, at present, is the cause that the maritime part of her population make a figure not altogether unworthy of their ancestors. It is thus that the several towns of Holland, Zealand, and Flanders, have for many centuries maintained an active intercourse with each other; that Paris is so closely connected with Rouen and Havre de Grace; that Switzerland maintains by the Rhine an intercourse with Holland; and that in England, particularly since the multiplication of canals within the last seventy

years, the conveyance of coal, iron, salt, and other bulky commodities, is so much facilitated. On the other hand, the want of such intercourse is, as as we shall see presently, the principal cause of the backwardness of Spain, Poland, the south of Germany, and in no inconsiderable degree, of France.

Effect of the Protestant Religion.—The progress of the reformed faith has conduced greatly to the increase, not only of the comfort, but of the population of the nations by whom it has been embraced. Among its other effects, are a more general diffusion of education, and an exemption of the labouring classes from the loss of time attendant on the endless holidays of the catholic church. In agriculture, the operation of these advantages is less apparent, most countries sufficing wholly, or nearly, to their own consumption, while the insulated position of the husbandman prevents, in a great measure, the benefit arising from competition and frequent personal communication. But in manufactures, particularly in those prepared for foreign sale, the case is very different; the ease of transporting them to a distant market, and of comparing their respective quality and price, opens a wide field of competition, and awards the preference to superior skill and ingenuity. Accordingly, though the catholics of Europe are much more numerous than the protestants, the far larger share of exported merchandize proceeds from protestant countries, the labour of the Flemings, the French, and the northern Italians, forming a feeble counterpoise to those of the Silesians, the Saxons, the Prussians, and, above all, of our countrymen. In Ireland, linen weaving, the only great branch

of manufacture, is almost wholly in the hands of protestants.

We proceed to apply this reasoning to the progress of population in Europe, availing ourselves of the official returns which have been made in most countries in the course of the present age, and which supply the following abstract: —

	Inhabitants per square Mile.
East Flanders	554
West Flanders	420
Holland (Province of)	362
Ireland	237
England distinct from Wales	232
Austrian Italy, viz. the Milanese and the Venetian States	219
The Netherlands, viz. the Dutch and Belgic Provinces, collectively	214
Italy	179
France	150
The Austrian Dominions	112
The Prussian Dominions	100
Denmark	73
Poland	60
Spain	58
Turkey in Europe (conjectural)	50
Sweden (distinct from Norway and Lapland)	25
Russia in Europe	23

Here are, indeed, some very remarkable differences in population, and to trace this diversity to its source, is an object of no slight interest. Flanders possesses, in a high degree, the main causes of dense population, fertility of soil, and ease of communication, having on the north the sea and the Scheldt, while the flatness of its surface admits easily of intersection by canals. Accordingly, so early as the 12th century, when productive industry was in its infancy in every part of Europe, except Pisa, Venice, Genoa, and a few other

towns of Italy, Bruges was a place of commercial eminence, a kind of centre for the intercourse of the north-west of Europe. In this it was succeeded by Antwerp and Amsterdam; but though Flanders has long ceased to have much foreign trade, its population and manufacturing industry have not declined. The great articles of its produce are, corn, hemp, and flax; of its manufactures, linen, lace, leather, and, in latter times, cotton. Of cities, it contains only two, Ghent and Bruges, and their conjunct population does not exceed 90,000. But it abounds in towns and villages which are populous, though not noticed in history, and hardly in geography.

Of the Dutch provinces, the most remarkable for population, as for other characteristics, are Holland and Zealand. On the ground of fertility they have little claim to density of numbers, the soil being, in general, ill adapted to tillage; but in case of water communication, they surpass every other part of Europe. The mouths of the Rhine, Maese, and Scheldt, afford capacious inlets for foreign commerce, while the level surface of the territory admits of easy intersection by canals. These provinces possessed, consequently, considerable population and trade before the 16th century, when their prosperity was confirmed by the adoption of the protestant religion, and by the establishment, after a long struggle, of an independent government.

How far does fertility of soil account for the increase of population in England? Inferior to several tracts on the Continent, such as Flanders or the Milanese, but more fertile than the mountains of Spain or the levels of the north of Germany, the soil of England may be said to hold a medium, and to have a claim to rank with the average of the

French and Austrian territory. This would have determined a population in the present age of perhaps 150 to the square mile: the additional number is, as far as regards *physical causes*, to be attributed to our insular position and the productiveness of our mines; advantages which lead so directly to the increase of our manufacturers, seamen, and traders. In case of inland navigation, England is second only to the Dutch provinces.

Inland Countries: Austria and Prussia. — From these examples of maritime prosperity, we pass to inland countries, and begin by the dominions of Austria, which, with a slight exception, are at a distance from the sea, traversed by few navigable rivers, and by hardly any canals. Though equal to France or England in fertility, the communication between the different provinces is difficult, the progress of improvement extremely slow, manufactures backward, and population comparatively thin. Prussia, in like manner, has few harbours or navigable rivers, indifferent roads, and canals that are only in their infancy: the majority of her subjects enjoy the advantage of the protestant religion, and of an education less imperfect than that of their southern neighbours; but her population is thin, in consequence of a great part of her territory being sandy or marshy.

A still stronger example of the disadvantage of an inland position is afforded by Poland. That country, without possessing all the fertility vulgarly ascribed to those which export corn, is not naturally below the average productiveness of Europe. Its climate, if in winter it partake of the rigour of Russia, is in summer favourable to corn culture, and the great impediment to the increase

of its produce is not a mountainous surface, but a cause more within the remedying power of industry — extensive marshes. Still, its population is scanty and wretched, the causes of which, in a political sense, are, long continued misgovernment, a bigotted creed, the almost total neglect of education; in a physical, the difficulty of communication, the extent of sea-coast being small, the roads proverbially wretched, and the access to the interior by the Vistula, circuitous, and too confined for so large a tract of country.

France.—Between these extremes, our ancient rival forms a medium, possessing a considerable extent of coast, but labouring also under the disadvantage of an inland territory, square in its form, slightly penetrated by navigable rivers, and having, as yet, very few canals, with roads good only in particular directions. Compared to the Austrian or Prussian states, France is an improved country, but the case is far otherwise when put in competition with the Netherlands or England. Superior to our island in climate, and equal to it in soil, she is greatly inferior in density of population, and still more in the average income of individuals. Of her population, two-thirds (above twenty millions) live in the country, and her peasantry partake, in many provinces, of the poverty of those of Ireland. In the size of her towns, this great kingdom, so long the dread of our ancestors and of Europe, has, in the last and present age, been altogether surpassed by England and Scotland; for though our island boast only half her population, the distribution of it is made, in a manner, far more conducive to efficiency in a commercial and financial sense. This is, at once, apparent from a comparison of the twelve principal towns in each.

Population Return of 1821.

ENGLAND AND SCOTLAND.		FRANCE.	
London, Westminster, Southwark, and the adjoining parishes	1,225,694	Paris	720,000
Glasgow with suburbs	147,043	Lyons	115,000
Edinburgh, with Leith and their suburbs	138,235	Marseilles	102,000
Manchester, with Salford	133,788	Bordeaux	92,000
Liverpool	118,972	Rouen	86,000
Birmingham with Aston	106,722	Nantes	77,000
Bristol and suburbs	87,779	Lille	60,000
Leeds and suburbs	83,796	Strasburg	50,000
Plymouth, with Dock and suburbs	61,212	Toulouse	50,000
Norwich	50,288	Orleans	42,000
Newcastle on Tyne, with Gateshead	46,948	Metz	42,000
Portsmouth with Portsea	45,648	Nîmes	40,000

Ireland. — In our enumeration of towns we have omitted those of Ireland, because the situation of that country is peculiar. Possessing, in point of navigation, maritime and inland, advantages equal to those of England, her towns are comparatively small, her manufactures considerable in one province only. To what, then, is owing the remarkable density of her population? To two causes, fertility of soil, and the habit on the part of the peasantry, of subsisting on a food, the produce of which, on a given spot, is much larger than that of the wheat, the rye, or the oats, which, in other parts of Europe, form the basis of national subsistence.

Italy. — Few countries surpass Italy in natural advantages; in soil, in climate, extent of sea coast, and, in her northern part, in the means of inland navigation. But a bigotted creed has confirmed the indolence inspired by the climate, and her unfortunate division into petty states, has prevented measures for the advancement of her productive industry. Though more populous

than France, her inhabitants have a smaller average income: the want of a concentrated government may be considered the cause of lighter financial burdens, but the advantage is balanced or more than balanced by the loss of that rank among the states of Europe, to which this country is entitled by her population and geographical position.

Spain has a climate, on the whole, favourable, but in respect to territorial surface, is, after Switzerland, the most mountainous country in Europe. Having, all along, been deprived of the blessings of good government and enlightened religion, the physical obstacles to communication between one district and another, have been very little lessened by exertion on the part of the inhabitants: the roads are few and indifferent, while of canals there are hardly any. Her great extent of sea coast, ought, it may be thought, to have remedied these disadvantages, but the small number of her navigable rivers has confined this benefit to the outskirts of her territory, leaving the interior untraversed and almost unopened. Thus, with the exception of Catalonia, Biscay, and part of Andalusia, Spain exhibits all the backwardness of a country deprived of water communication. Portugal is more favourably circumstanced; she has two great inlets from the ocean, the Tagus and Douro, so that without surpassing Spain in climate or soil, she is enabled to pay a larger revenue.

Russia and the north of Sweden, form an example of extreme thinness of population, consequent, partly on rigour of climate, partly also on difficulty of intercourse.

Having thus explained the increase of European population, we are, in the next place, to examine

the circumstances connected with the *increase of its wealth.*

Our experience since the peace, unfortunate as it has been to particular classes of the community, has put beyond doubt one material point, we mean our power of subsisting an increased population. The case of England is that of Europe at large, and even anti-populationists can hardly apprehend that such abundance is temporary, or that the civilized world is at all in hazard from insufficiency of subsistence. Equally little can they deny that increase of national wealth, has, for a long time, accompanied increase of numbers. Such has evidently been the case in France, in Germany, in the countries along the Baltic, and, above all, among ourselves.

But while the facts are undoubted, the inference that the increase of wealth has been a *consequence* of the increase of numbers, will not be so readily granted: from the adherents of Mr. Malthus, it is not to be looked for, nor do we expect it for some time from the majority of our public men. We proceed, therefore, with caution, and begin the argument in favour of population by a few plain questions, such as "whether, when the same portion of public burdens is distributed over a greater number, the pressure on the individual is not necessarily lightened?" Our revenue arises chiefly from consumption: each individual bears his part, and the 50,000,000*l.* at present paid by somewhat less than 15,000,000 of inhabitants in Great Britain, will obviously give a smaller average per head when they shall come to be shared among a population of 16,000,000. Our next question is, "whether the effect of augmented numbers, in adding to the revenue, has not been remarkably ex-

emplified in the present age: whether it had not an important share in swelling the product of our taxes during the war, and in preventing their diminution since the peace?"

If these preliminary points are admitted, we proceed to put the more general question, whether "when a greater population is maintained in equal comfort on the same territory, the wealth and power of the community are not increased?" The proof of this rests chiefly on the power (p. 146.) of an increasing population to provide for itself, and to augment its subsistence as it augments its number. A farther argument, and one more easily intelligible by readers of history, may be deduced from a comparison of the present means, financial and military, of the states of Europe, compared with what they were two centuries ago. How feeble do we find the establishments of France, even when administered by Sully; of England, when guided by Burleigh; of Austria, when stimulated by the vigour of Charles V., if we compare them to those of the same powers at the present day! The army of Henry IV. of France, was, when at the highest, only 40,000 men: the revenue of queen Elizabeth was 600,000*l.** Even the Spain of Philip II., aided by the mines of America, is found, when her revenue and her army are brought to the test of accurate computation, to have been on a par with only the second-rate powers of our age.

Increase of Income to the Individual. — Taking it therefore for granted, that as to *national* income, no doubt can be entertained of an increase consequent on the increase of our numbers, we proceed

* Napier's Supplement to the Encyclop. Brit. under the heads of England and France.

to investigate the effect on *individuals*, and to ask, whether an augmented population tends to expand or contract their separate earnings? This question Mr. Gray has no hesitation in answering in the affirmative, it being one of the fundamental articles of his population creed, that an increase in the numbers of a nation or society, tends, not only to keep up, but to improve the income of its members: that the 20*l.* forming the average income of individual labourers in one age, may, and, in fact, is likely to become 21*l.* in the next; or to express it in a comprehensive form, that "the more varied the classes of a community, the more they conduce to the welfare of each other."

This highly interesting conclusion is founded on the various advantages attendant on concentration of numbers. These, when treating of town population, we showed to consist in the subdivision of labour; the consequent superiority both in expedition and quality of workmanship; also the means of giving employment, of some kind or other, to persons the most different in education and attainments. In proportion as employment becomes sub-divided, the efficiency of the individual is increased, and the same labour enables him to furnish commodities, superior, either in quantity or quality, generally in both. Besides, the concentration of numbers is perpetually giving rise to discoveries and inventions, the effect of which, when at all entitled to the name of improvement, is to render the articles produced either cheaper or better.

Connection between Density of Numbers and Increase of Wealth.— We proceed to put this doctrine to the test, by a reference to the returns of taxation and other public burdens, in different countries of

Europe. These, we are aware, do not furnish an unexceptionable criterion of national wealth, as the proportion of public burdens may differ from circumstances unconnected with the state of productive industry, such as the greater or less participation of a particular country in war, since the adoption of the funding system. They form, however, the least defective basis, the nearest approximation to the truth in the present imperfect state of public surveys ; for few countries have been the object of an assessment so directly calculated to convey an estimate of national wealth, as the property-tax of England or the *foncier* of France.

	Population per square Mile.	Proportion of Public Burdens paid by each Individual.
		£ s. d.
England distinct from Scotland and Wales	232	3 2 0
England, Scotland, and Wales, collectively	165	2 15 0
The Netherlands*	214	1 10 0
France	150	1 4 0
The Austrian Empire	112	0 12 4
The Prussian Dominions	100	0 13 4
Denmark	73	0 16 3
Spain	58	0 11 6
Sweden	25	0 10 0
Russia in Europe	23	0 9 9

The maritime provinces of Holland and Zealand, are perhaps as heavily taxed as England, the charge of defence against the sea, added to the interest of a heavy debt, contracted during two centuries, rendering the total assessment probably equal to our *3l. 2s.* per head. France exhibits a medium in her taxes as in her population: while in our case, the increase of taxation since 1792, has

* The repartition of taxes is here very unequal, the Dutch provinces, particularly those of Holland and Zealand, paying much more than *1l. 10s.* a head, the Belgic considerably less.

been more than double the increase of our population, in France the proportion of the former has outstripped that of the latter only by a fourth, or 25 per cent. Still the average payment per head is much greater in France than in the Austrian empire, a country fully equal to France in fertility, but devoid of the means of communication afforded to the latter by better roads and a considerable extent of coast.

The population of Denmark, though more thinly spread than that of Austria or Prussia, pays a larger average contribution, the chief cause of which must be the extent of water-communication.

There is, however, in more than one country of Europe, an example of slender payments on the part of a populous community such as,

	Population per square Mile.	Payment per Head, only		
		£	s.	d.
Ireland - - -	237	0	11	0
The Milanese and Venetian Territory - -	219	0	10	0
The Neapolitan Dominions	154	0	8	0

These appear exceptions of no slight amount to Mr. Gray's rule, but they admit of an easy explanation. In Italy, as in Ireland, the far greater part of the inhabitants are cottagers; while in the Neapolitan states, the poverty implied by that condition of life is perpetuated by habits of indolence. Farther, the situation of cottagers even in a populous district, is insulated and unsuited to that division of employment, that promptitude of co-operation which constitute the advantage of towns, so that the smallness of these payments, instead of invalidating Mr. Gray's rule of wealth arising from collective numbers, is found to afford an illustration of its accuracy.

Town Population ; farther Arguments for its superior Wealth.— The resources of a town population have been exemplified in the Dutch provinces of Holland and Zealand during two centuries, by the payment of an amount of taxation almost unparalleled in the annals of finance. At a time when in England, the majority of the inhabitants lived, as at present in France, in the open country, Holland had accumulated the larger part of her population in towns; and though their numbers have now experienced a decrease, Amsterdam and the eight cities situated within a circuit smaller than one of our middle sized counties, still contain a population of more than 400,000, a density surpassed only by London and Paris, and which, rapidly as the numbers of our manufacturers increase, will hardly be equalled in the present age by the *town* population of either our cotton, our woollen, or our hardware districts.

These districts, however, and the parts of our island rendered populous by navigation, already confirm the result exhibited by Holland, the average return of income being, as was shown by the property-tax, considerably greater than that of the same number of individuals in less populous quarters. In like manner in France, the returns made to government under the *foncier*, or tax on the income of landlords, farmers, and house proprietors, show that the revenue not only of the public but of the individual, is smaller where the numbers are thinly scattered, — smaller in the mountainous departments of the south, than in the more fertile and populous districts of the north.

It may, however, be objected, that an estimate founded on taxation does not do justice to the property of a rural population, who, in many parts

of the Continent, seem almost to escape the grasp of the exchequer. This exemption, however, is limited chiefly to excise dues, and is, in a great measure, balanced by a heavy land-tax, which, under different names in different countries, forms the basis of continental taxation, and is included in the statistical return in the Appendix to this chapter. In the main articles of food and fuel the peasantry are often better provided than the lower orders in towns, but in other respects there are on the Continent the same reasons as in England for allotting the superiority in property to the latter. It is in a large association only that activity and talent find an adequate field; that the command of capital, the co-operation of assistants, can be turned to account: there is, hence, no comparison between town and country in the proportion of those who from poverty attain the comfort of a middle station; to say nothing of those who reach a high rank in the scale of property.

Farther, as every country raises food for the far greater part of its consumption, density of town-population implies in general an advanced state of agriculture: it is along with such density that we find extensive farms, a general application of machinery, and a variety of improvements which enable cultivators to send to market a much larger proportion of produce than can be spared in a country like the centre and south of France, where all work being done by manual labour, the larger share of the produce is necessarily consumed by those who raise it. In all respects, therefore, a numerous town-population is a proof of national wealth.

What then is our conclusion in regard to Mr.

Gray's doctrine, of the tendency of income to increase along with population? That it is no less sound and accurate than it is cheering, and that in expressing an assent to it, we are aware of only two qualifications being necessary; viz.

That increase of individual income does not hold in the case of cottagers, or any population in an insulated form; and next,

That an inferiority of numbers may, as in the case of Denmark, be counterbalanced by the advantage of ready communication by water.

Subsistence more easy of Acquisition as Society advances.—The late wars, remarkable as they were for frequency of bad seasons and exorbitant charges on the transport of corn, exhibited no examples of local suffering equal to those which marked the latter years of the 16th and 17th centuries. The cause is to be sought in the general improvement of our roads, canals, and maritime navigation; also in the greater means of purchase afforded by the diffusion of employment, chiefly mechanical and manufacturing, throughout almost every corner of the Island. One part of the kingdom is thus enabled to come to the relief of the other, and prices are kept nearly on an equality throughout. To this source of relief at home, is added, particularly since the peace, a supply from abroad, arising from the extension of tillage over countries in a manner unknown to our ancestors. In our chapter on Agriculture, (p. 149.) we took occasion to remark that that which formerly constituted the corn country of Europe, meaning the country producing corn in sufficiency for export, is comprised between the 45th and 55th degree of latitude, and

has a similarity of climate greater than is supposed by those of our countrymen who have not travelled or studied the temperature of the Continent. This remark applies to the Netherlands, the north of France, the north of Germany, Denmark, and even to part of Poland, all too similar to our country in latitude and vicinity to the sea, to escape a participation in those causes of deficiency, whether arising from want or excess of rain, which, from time to time, affect our harvests. But the extension of tillage along the shores of the Euxine, and the increased cultivation of the United States, afford new sources of supply: these countries are distant, indeed, and the amount of import from them, must, from the cost of conveyance, necessarily be limited, but it will proceed from climates not likely to be affected by the causes which lead to deficient crops in the north-west of Europe.

These different inferences, whether deduced from historical or geographical authority, may be admitted by the adherents of Mr. Malthus, and when viewed in connexion with our present abundance of subsistence, may be allowed to be of a nature to relieve a few generations from the apprehension of scarcity; but the anti-populationists will still contend that their *principle* is correct, and that a time must come when the world will be exposed to the misery of over population. The argument is thus brought to a kind of *ne plus ultra*, but even on this final and decisive ground we are not afraid to meet our antagonists. Without denying that there is in the womb of time, a period when population will attain its complement, we contend that such a period is far more distant, and the intermediate increase of our numbers likely to be far greater than enters into the con-

ception of either our opponents, or the public at large. Nor does it follow that when such a period shall arrive, it must be necessarily a period of misery: — but to waive all speculation on this mysterious point, and to confine ourselves to that which is of nearer interest, we shall briefly give our reasons for the opinion that our posterity, for many generations at least, are likely to increase their numbers with less difficulty than has been experienced by us or our ancestors.

1. Our fundamental doctrine, that increase of produce depends less on the extent of newly cultivated soil than on the number of hands employed on the old, will be found proof against the severest analysis. It is supported equally by the experience of the present age, and the general evidence of history: it constitutes, besides, that fair proportion between demand and supply which corresponds with the benevolent ordinations of Providence.

2. From the great diversity of soil and climate in the cultivated portion of the globe, scarcity is never general: "when famine was in other lands, in the land of Egypt there was bread." If this apply to an age when civilization extended over hardly ten degrees of latitude, how much more does it hold at present, and how greatly do the advantages arising from improvement perpetually in progress, increase the power of mankind to turn to account the bounty of nature? Extended communication by water enables even distant countries to supply the deficiency of each other; while in the same territory improved methods of preserving corn, additional granaries, augmented capital, all concur to enable the inhabitants to keep over the surplus of one year as a provision for the possible failure of the next.

3. The labour employed in raising subsistence, becomes progressively more effectual, the source of a larger produce, as society advances. This is evinced in two ways; one, the use of improved implements, is obvious to the common observer; the other, a decrease in the number of agriculturists compared to other classes, is a fact known only to the statistical inquirer. A population return in France, or almost any part of the Continent, still exhibits a larger number of residents in country than in town, but many of the former are producers of other articles than food: the flax, the hemp, the madder of their fields, the wool of their flocks, the timber of their forests, the hides of their cattle, are all constituents of supply or ingredients of consumption, quite distinct from subsistence. A census of our ancestors, taken a century and a half ago, would have given, under the head of agriculturists, above 50 persons in 100, instead of the 33 of the present day. The majority of the population of a country are thus enabled to reside in towns and villages, and are rendered disposable for other purposes: the humbler orders employ themselves in furnishing, clothing, or lodging; a higher class minister to the amusements, the education, or the luxury of the rich; while the highest of all are exempt from the necessity of following any occupation whatever. Confining our view to the topic at present under discussion, how may we consider the majority of those employed on luxuries? They may be said to form a reserve of capital and labour applicable to the increase of subsistence, in a case of imperious necessity.

4. As society advances, and a part of the lower orders participate in the comfort of the middle

classes, food forms progressively a less considerable proportion of their expenditure. In a population like that of Ireland, the chief part of France, and the poorer counties of England, food constitutes, as already mentioned, about 70 per cent. of the total family charge; but in our more populous rural districts, in our larger villages, and in our towns generally, the proportion is probably below 60 per cent. What does this imply, but the possession of greater wealth, the power, on the occurrence of a scarcity and rise of price, of obtaining subsistence by purchase; in other words, of importing it from abroad? Hence, the less severe pressure of high prices of food on a population, such as that of Holland and England, than on one devoid, in a manner, of exchangeable commodities, such as the peasantry of Poland, Russia, or the inland districts of the Highlands of Scotland.

Prospect of Europe in regard to Population and Wealth. — "The maxim of the politician," says Mr. Gray, "ought to be to take care of population, as population will take care of subsistence and of every other species of supply." Though convinced that there is much more truth in this than in most political apophthegms, we do not go quite so far as Mr. G., and have no wish to keep in the back ground the case of a population like that of Ireland, Brittany, and Poland, in which increase of numbers is attended by so slight an increase of comfort to the individual, or of strength to the public. Nor do we assert that even in a country the most fortunately constituted, increase of population can bring with it a *speedy* cure to a disordered state of productive industry, such as has existed among us since the peace. In the case,

for example, of agriculturists, distressed by a superabundance of home growth, little relief is to be anticipated from increase of consumers, because the producers can hardly fail to augment their numbers in an equal proportion, leaving relief to arise from the extension of home manufacture, the removal of hands from country to town, or other causes uncertain in the time of their occurrence, and distinct, in a great measure, from the general increase of our numbers.

Next, as to men in office, on whom Mr. G. seems to think it incumbent to take measures, more or less direct, to promote population, we confine our exhortation to a passive course, satisfied if they do nothing to obstruct the natural increase of numbers. Let them carefully guard their minds against the notion which so naturally follows the creed of limited subsistence; viz. that the discouragement of marriage, or the loss of lives in the field, and in unhealthy colonies, are not, in a statistical sense, a great misfortune, because they operate, forsooth, as checks to superabundant numbers. — In regard to population, as to national wealth, the plain rule is to avoid interference, to take no step for the purpose of giving a new direction to the course of events, but to remove obstacles wherever such have been interposed by the mistaken, though well intended intervention of preceding legislators. As to town population, with all our conviction of its advantage, both to the individual and the community, we should infinitely regret the adoption of any measure to increase its relative amount. Let the tide flow in its natural course: the duties of government evidently extend no farther than keeping open the channel.

After these qualifications we may, without being suspected of exaggeration, be allowed to indulge a few moments in the prospect opened by the pacific system of the present age, the probable extension of cultivation throughout Europe; the attendant increase of population. Our own country, though less backward than others, offers an ample field for augmentation of produce by merely carrying the improvements of the east and north into our western counties, and into Ireland. If we cross the narrow seas and fix our attention on the districts of the Continent said to be farthest advanced, such as Flanders, Normandy, or the *Pays de Beauce*, we shall find their machinery so rude, and their work performed in so great a degree by manual labour, that the productive powers of their soil might be doubled by the mere application of the discoveries and inventions that have taken place among us. If we carry our observation farther, and calculate how much remains to be done in the neglected plains of Hungary and Poland, in the half irrigated provinces of Spain, Italy, and even the south of France, the inference is, that Europe, that boasted seat of cultivation, is not peopled to the extent of a fifth, we ought rather to say of a tenth of the numbers, it may be rendered capable of supporting.

Comparative Prospects of England and France.— From the prospects of Europe at large, we turn to those of our own country, and its most powerful neighbour. To give our parallel a more definite form, we shall confine our attention to a specific period: if we go back in our history for a century, viz. to the reign of George I., we find that since that time, our population has somewhat more than

doubled, and that our national wealth may, after every deduction, be considered as having increased in a *ratio* considerably greater than our population. Without reckoning the public stocks among our national assets, or dwelling on the augmentation of our revenue, either as a proof of prosperity or as a standard of comparison with the last century, we shall find this estimate of the increase of our public wealth supported by several very powerful arguments; above all, by the fact that the principal addition to our numbers has been in towns, where, as we have just shown, it is most directly conducive to both individual and national wealth.

In France, the increase of numbers is as slow in towns as in rural districts, and the augmentation of property probably keeps pace with, but does not much exceed that of population. This inference seems justified by several reasons; partly by the slow increase of the public revenue, more by the stationary condition of the inhabitants, many of whom follow the same occupations and hold the same rank in society as their forefathers two centuries ago. Now, in comparing our former situation with that of our continental rival, we find that in the reign of George I., England, Scotland, and Ireland, bore to France, in point of population, the proportion of only 45 to 100 (See Napier's Supplement, heads of "England and France"); nor was that of taxable income much more considerable: at present, in point of numbers, we hold the proportion of 70 to 100, and of taxable income of 100 to 100; so much greater during the last century has been our increase than that of France. The source of this rapidity, as far as regards physical causes, is to be sought

chiefly in our command of water communication, and in the productiveness of our mines. As these causes continue in full operation, or rather are more effectual at present than at any former time, we are justified in anticipating a continuance of superior progress. First, as to population, the increase in France at the rate of 10 per cent. on the existing numbers (a rate greater than has as yet been exemplified in that country, but which, under present circumstances, we are inclined to consider probable,) will give, in ten years, a result of - - - - - - 3,000,000

But the increase of Great Britain and Ireland at 15 per cent., agreeably to the returns of 1811 and 1821, will give - 3,300,000

Next, as to financial resources: the national income, by which we mean the aggregate of individual income, is, in one sense, somewhat greater in France than in this country; but in regard to the portion of it that is taxable, the advantage will be found on our side, in consequence, chiefly, of our greater town population: thus,

Comparative Sketch of National Income expended on taxed Articles.

	Great Britain and Ireland.	France.	France, after adding 20 per cent. for the greater value of money.
	£	£	£
Rent of land and farmer's profit at the reduced prices of peace - - -	50,000,000	60,000,000	72,000,000
Tithe - - -	5,000,000		
Rent of houses - -	16,000,000	13,000,000	16,000,000

	Great Britain and Ireland.	France.	France, after adding 20 per cent. for the greater value of money.
	£	£	£
Income arising from commerce, manufactures, and professions, as far as such are of 50*l.* and upwards: also income from mines, docks, canals, tolls, &c. - -	24,000,000	15,000,000	18,000,000
Small incomes (below 50*l.*) and wages of all accustomed to consume taxed articles, as beer, tea, sugar, tobacco, in England; or wine, cyder, tobacco, sugar, coffee, in France - -	90,000,000	80,000,000	96,000,000
Together -	185,000,000		202,000,000
Such is the amount of income arising from the land and labour of either country. To this we now make an addition of great importance as a source of taxation, whatever may be thought of it as a constituent of national wealth.			
Income from money in the public funds, or lent on private securities - - -	50,000,000	20,000,000	24,000,000
Expenditure of government; viz. the pay of the army, the navy, the public offices, the civil list, the miscellaneous services, after allowing for the late reductions - -	18,000,000	18,000,000	21,000,000
Total taxable income *	253,000,000		247,000,000

* Any discrepancies between this column and that in page 249, arise from the latter exhibiting the returns of Great Britain distinct from Ireland.

To satisfy those who consider income arising from public debt, or from the expenditure of government as unsuitable appendages to a statement of national resources, we shall leave both out of the question, and take the amount of income in either country without these questionable auxiliaries. What, under this assumption, is the prospect of increase? In France, the augmentation of national income reckoned at 10 per cent. in ten years, in conformity to the increase of population, will be about - - - £20,000,000

But in this country, the increase, reckoned also in the *ratio* of the addition to our population (15 per cent.) will produce above - - - 27,000,000*

Those of our readers to whom this conclusion appears too flattering may satisfy their doubts by a consideration of our various advantages, physical and political, as well as by the practical proof afforded during the last hundred years. Were we to continue the parallel, we should find that even in population, we shall probably overtake our ancient rival, ere another generation pass away. Meantime, those who know that the issue of a military struggle depends not so much on population as on disposable revenue, will be satisfied that at present we should have no cause to dread a contest, single-handed, with that power against whom our forefathers were obliged to seek safety in continental alliances. Or, supposing that from any unforeseen cause, our maritime force should become less predominant, and that a war between the two countries were to be decided on shore, we should have no great reason to dread the result, or

* See this more fully stated in Appendix, (p. 72, 73.)

to regard invasion with the alarm which it excited during the last century.

A similar course of reasoning applies to Russia, Austria, and other continental powers; in none is the degree of increase of national wealth, or as far as we can learn, of population, on a par with this country. We have, therefore, little to dread from attack; and as we shall certainly not make our superiority a source of aggression, the conclusion is, that our situation presents a solid hope of continued peace, and of all the advantages arising from the undisturbed extension of our productive industry.

Such, in regard to foreign policy, are the results likely to attend on the increase of our population. That increase is replete with considerations equally satisfactory in regard to our internal affairs, the stability of our finances, the reduction of the more injurious portion of our taxes — topics of great interest under present circumstances, and each of which shall be discussed at some length in our concluding chapters.

CHAP. VIII.

National Revenue and Capital.

HAVING appropriated several chapters to an examination of the condition of the country, under the separate heads of Agriculture, Population, and Poor-rate, we are now to make an attempt of a more comprehensive nature, and to bestow a chapter on our National Revenue and Capital generally. This will lead us to discuss,

The amount of our taxable income.

The connexion between its increase and the increase of our population; and, lastly,

The fluctuations it has experienced in the thirty years that have elapsed since the French Revolution.

Estimate, by the late Mr. Colquhoun, of Property created in Great Britain and Ireland, in the year 1812.

Agriculture in all its branches (including pasture)	£217,000,000
Mines and minerals, including coals	9,000,000
Manufactures in every branch	114,000,000
Inland trade	31,500,000
Foreign commerce and shipping	16,000,000
Coasting trade	2,000,000
Fisheries, exclusive of the colonial fisheries of Newfoundland	2,000,000
Chartered and private bankers	3,500,000
Foreign income remitted	5,000,000
Total	430,000,000

Such was the amount of the property created in Great Britain and Ireland in 1812; since which there have occurred two very material changes, — a great increase in the quantity, and a still greater decrease in the prices. The latter, in the case of agriculture, amounts to 70 per cent.; in that of manufactures to 40 or 50 per cent.; but as Mr. Colquhoun's estimate was made greatly below the currency of the time, 20, or at the utmost 25 per cent., will form a sufficient deduction from its amount. To this we find an ample counterpoise in the increase of quantity arising from

The increase of our population.

The great additional produce on the part of the hands restored to labour by the peace; and

The excess of the population of Ireland over Mr. Colquhoun's, or any preceding estimate.

The result, therefore, is, that even at reduced prices, the value of the produce of the present year exceeds that of 1812; but as Mr. Colquhoun's calculation included, under the head of agriculture, a very large sum for produce, such as oats, hay, grass, &c. appropriated to the food of horses and cattle, and as our object is to confine our taxable articles for the consumption of man, or for the purposes of manufacture, we assume the total at 350,000,000*l.* That sum, then, we consider as representing the amount of the property annually created in Great Britain and Ireland; in other words, the amount of our annual production.

Of this large sum, what proportion, in this land of taxes, can be considered as exempt from the visit of the assessor? About 30 per cent., as appears from the calculations in the Appendix, leaving for our taxable income, about 250,000,000*l.* Thus,

Estimate of the taxable Income of Great Britain, distinct from Ireland, in 1822.

Rent of land returned in 1814, at 43,000,000*l.*, and probably amounting, after allowing for all deductions, omissions, and evasions in the returns, to -	£48,000,000	
Add for the extension of rent-paying land since the peace - - - -	2,000,000	
Together -	50,000,000	
Deduct for abatements of rent since the peace, made, making, or which must, ere long, be made, 40 per cent. - - -	20,000,000	
Remain -		£30,000,000
Tithe; amount in 1812 (see Returns of Property Tax) 4,700,000*l.*; at present computed, after making an addition for the increase of produce, and an abatement for the great fall of prices - - - - -		4,000,000
Rental of houses, returned at nearly 16,000,000*l.* in 1814; since which, the houses are augmented in number by 15 per cent., an increase probably balanced by the fall of rents, leaving the amount as before - - -		16,000,000
Farming income, which, during the latter years of the war, was so large as to equal the rental of the kingdom, but which, in 1821 and 1822, has been reduced to almost nothing, we estimate, with a view to the future, at the medium rate of 6 per cent. on 200,000,000*l.*, the supposed amount of capital invested in agriculture		12,000,000
Income from trade and professions, comprising not only manufacturing and mercantile profits, but income from mines, docks, canals, tolls, iron-works; likewise salaries, as far as derived from the concerns of individuals; to the exclusion, however, of all incomes below 50*l.* a year,		

This portion of our national revenue, returned during the war at 30,000,000*l.*, and which, if augmented in proportion to the increase of our numbers, should at present be 35,000,000*l.*, we compute, in consequence of the change in the value of money, and the decrease of business, at a great reduction, say - - -	£22,000,000
Wages and all incomes below 50*l.* a year, computed on a population, which, (exclusive of Ireland) is above 14,000,000, but from which somewhat more than a third is deducted for persons either above or below the station of those receiving wages. This large deduction comprizes not merely paupers, but cottagers and others whose mode of life is such as to lead, in a very slight degree, to the consumption of taxed articles. The result, estimated on a population of 9,000,000 working at the reduced wages of peace, but adding the earnings of women and children to those of the men, is	80,000,000
Interest of our debt, funded and unfunded, since the reduction of the 5 per cents. - -	30,000,000
Conjectural amount of interest from other money securities; viz. mortgages, private securities generally; also public securities, such as bank stock, East India stock, foreign stock, in short, all securities distinct from those of our government - - - - -	20,000,000
Expenditure of government for the army, [illegible] civil list, public offices, and [illegible] services, after allowing for the [illegible] [illegible] and leaving out the proportion expended in Ireland	[illegible]
[illegible]	[illegible]
[illegible]	25,000,000
Total -	255,000,000
Or, which, [illegible] to taxation, being expended abroad by travellers and emigrants - - -	4,000,000
Remainder -	251,000,000

Increase of National Income since 1792. — After this statement of our present income, the next inquiry regards the changes it has undergone during the last thirty years, a period no less remarkable for financial than political revolutions. To form an estimate of the increase of national income, whether in peace or war, is a matter of great difficulty: the improvements in our land, our houses, our furniture; the additions to our towns, our harbours, our manufacturing establishments, in the present age, are obvious, and have been great beyond example; but as no record can express the amount of expenditure incurred, or the success, necessarily very various, of such investments of capital, it remains with the inquirer to seek a standard of computation. For this we are in some measure prepared by the researches in the preceding chapters; and by following up the reasoning pursued in treating of the successive effects of war and peace, we shall probably be enabled to reduce to a systematic form that which seems at present involved in contradiction. The cause of the changes since 1792, we are disposed to seek in —

Fluctuations in the value of money;

Fluctuations in the activity of our productive industry;

The increase of population.

The changes in the degree of activity in our productive industry have been already illustrated (pp. 30. 40.), at considerable length; and as to fluctuations in money, whatever may be wanting in the preceding chapters shall be supplied in that on which we are about to enter. At present, therefore, we shall confine our attention to the effect of the third cause, — increase of numbers; — adopt-

ing the principles laid down in our chapter on Population, and applying, or endeavouring to apply them, to the circumstances of the present age.

Connexion between Increase of Numbers and Increase of National Income. — This connexion will be best traced by examining the preceding table of national income: on looking, for example, at the important head of wages, we shall at once perceive that the amount earned has a tendency to increase with the number of the hands employed. The same holds in regard to professional men, to merchants, to master manufacturers, in short, in respect to every line in which income depends on personal exertion. Thus, land in the hands of the farmer, like money in that of the merchant, is productive in proportion to the labour which it is made to put in motion. The case, it is true, is somewhat different in regard to a fixed income, whether derived from real or personal property; but even in that, the effect of increasing numbers is great, producing, as is well known, an increasing demand for both land and money capital. In proof of this, we have merely to take, as an example, the almost daily case of a family becoming more numerous; the consequent repartition of the paternal property, and the increase of productive power given to the portion that is put in a state of activity.

How, it may be asked, stands the question of increase of income, in regard to a population of such primitive habits as the cottagers of Ireland, or the mountaineers of Scotland, accustomed to confine their demands to mere subsistence? In such a case, an increase of numbers implies a cor-

respondent increase, not of taxable income, but of the produce which, like potatoes or bread, constitute the mere necessaries of life; and the result is an increase rather of gross than of net income to the nation. By the majority of our population, however, the value of comfort is understood; and the study of the lower, as of the middle classes, is to transmit to their progeny, however numerous, a portion of it equal to that which has fallen to their own lot. Without maintaining that marriages among the lower orders are contracted with the requisite prudence, or that the parents of a numerous family can avoid a long and serious struggle, the fact is, that augmentation of number is not generally found to involve a descent in the scale of society; nor has the surprising increase of our population in the present age, (Chapter on Poor-rate, p. 195.) raised the proportion of our paupers to our total numbers much beyond what it was a century ago. It is the characteristic of a civilized and industrious society, like the inhabitants of Holland, England, or Scotland, to make successive discoveries in the means both of augmenting produce and diminishing expense; improvements by which, whether effected in agriculture, manufacture, navigation, or trade, a country is enabled to support many more inhabitants in equal comfort.

Increase of numbers is conducive, therefore, to increase, not merely of produce, but of taxable income. We have already had occasion to show what large sums are annually brought into the exchequer by the duties on beer, spirits, tobacco, groceries; all articles which enter into the consumption of our labouring classes, particularly when resident in towns. But the general truth of

our reasoning will appear more clearly, if we have recourse to arithmetical statement, and if we subject to an analysis the 250,000,000*l.* constituting the taxable income of the nation. This will give the following proportions:

Arising from wages, and, of course, directly affected by increase of population - -	£100,000,000
From capital and labour combined, a portion of national income, which also is much increased by increase of population -	50,000,000
From rent of land, houses, or interest of money, which are influenced, though indirectly, and in an inferior degree, by the increase of numbers - - -	100,000,000
Total, including Ireland - - -	250,000,000

These arguments will readily be accounted applicable in a general sense, and for ordinary times; but what shall furnish a rule for computing national income in so fluctuating a period as that through which we have passed since 1792? The question is certainly very complicated, and seems at first to admit of no clear solution; for while a calculator who should have formed an estimate ten or twelve years ago could hardly have failed to pronounce the war highly favourable to the increase of our national wealth (our debt forming apparently no counterpoise to the increase of our resources), a statement prepared since our years of distress would convey a very different result. In France, the Revolution has been styled, the "queen of all earthly reverses;" but we might almost hazard an opinion that the effect of that convulsion, viewed in regard to change of property and in all the extent of its duration (now thirty years), has been as great in this country as in that

which gave it birth. Among our neighbours, the change was more sudden, directed more against a particular class, and bringing with it, too often, the melancholy concomitant of loss of life; but with us it has been more comprehensive, for an alteration in the value of money comes home to every class and condition. If in France, government annuitants suffered during the war a much greater reduction than in this country, there is no comparison in regard to the fluctuation in the circumstances of the more numerous class of farmers, whether we look to their prosperity during the war or their embarrassment since the peace.

But amidst all these changes in individual property, is it practicable to discover any rules of general application, any *data* on which to found a comparison of the circumstances of the public of the present day with those of the public of 1806 or 1792? In a community so great and so varied as the population of these kingdoms, the ease of one part is often cotemporary with the embarrassment of another; and there prevails, in the general result, an approach to uniformity which would hardly be credited by those who, in drawing their inferences, allow themselves to be forcibly struck by the fluctuation of particular classes. It was thus that our revenue stood its ground during all the trials of the war and the no less trying interval that has followed: it is thus, also, that the amount of our exports and imports has continued to bear a proportion to two regulating circumstances (the value of money and the extent of our population), amid all the anomalies introduced by restrictions, prohibitions, licences. The political arithmetician is therefore, in some mea-

sure, justified in forming a conclusion, which, without this collateral support, might appear vague and untenable; viz. "That though the circumstances of individuals, separately, are so much altered since 1792, those of any given number, whether 100, 1000, or 10,000, are more nearly on a par than is generally supposed." But as the stationary character by no means holds in regard to our population, as the 10,000,000 forming the population of Great Britain in 1792, have now become 14,500,000, it will follow from our rule that the increase of national revenue is in the proportion of 45 per cent. since 1792, such being the *ratio* of increase in our numbers.

For an inference of such importance, arguments can hardly be too much multiplied or too minutely specified. We refer our readers accordingly, in the first place, to the preceding reasoning (pp. 252, 3.); next, to the arguments (pp. 227, 8, 9.) in our chapter on population; and in the third place, to truths which are in a great measure within their personal observation, such as, that amidst all the increase of our number, and all the revolutions in the circumstances of individuals since 1792, there will be found no decrease in the proportion of the middle and upper classes to the lower. Farther, there seems no reason to doubt that, however the numbers of the next generation may be augmented, a correspondence with the past, in point of both rank and property, will, in a general view, be kept up. Nor is the cause difficult of explanation; the necessity of providing for a family is the strongest of all stimulants to the renunciation of indolent habits, to the productive employment of time and capital. What a contrast

in the result of the labour of the parent who necessarily adheres to a uniform pursuit, and of him who, exempt from the calls of a family, is at liberty to pass his time in speculation, indecision, and change! In nothing is the advantage of a mercantile community, like England, Holland, or the United States of America, more conspicuous over most countries of the Continent of Europe; where the gentry, or, as they are styled, the *noblesse*, so frequently pass their lives without a definite object, and escape poverty only by avoiding the responsibility of a family.

But are we, it may be said, authorized to assume an equality in individual income between 1792, a season of tranquillity, and the present, which is one of general embarrassment? To this argument, unluckily of great weight, we oppose one of equal, or almost equal power; viz. the great comparative increase of our town-population, the extent of which, *as income increases so much more in town than in the country* (Chapter on Population, p.232.) would have justified us, had our present circumstances been as tranquil and secure as in 1792, in assuming an increase of national property considerably beyond that of the 45 per cent. indicated by our numbers.

After this statement of our arguments, we shall proceed to their practical application, and exhibit a computation of our national income at different dates since 1792; forming it less from direct documents, which in fact are not to be found, than from the probabilities suggested by our population and property-tax returns.

Conjectural Amount of our National Revenue or taxable Income at different periods from 1792 *to* 1822.

Great Britain distinct from Ireland.	Money of 1792.	Totals, also in Money of 1792.
In 1792, our taxable income appears to have been as stated in p. 39, about -	£125,000,000	
In 1806: increase calculated in the *ratio* of the increase of our population, 18 per cent. in 14 years - -	22,500,000	
Together - -	147,500,000	
Probable addition from the higher wages and higher profits of a state of war	22,500,000	
Total of taxable income in 1806 - - -		170,000,000
In 1813 and 1814: Increase of national income since 1806, calulated in the *ratio* of the increase of population, 11 per cent.; thus:—		
National income in 1806, as above - - - -	147,500,000	
Add 11 per cent. - -	16,500,000	
Together - -	164,000,000	
Probable addition from the higher wages and higher profits of a state of war	24,000,000	
Total of taxable income in 1813 and 1814 - -		188,000,000
Great Britain and Ireland.		
1822. Increase of taxable income in the *ratio* of the population, 13 per cent. since 1814; thus:—		
Amount in 1814 - -	164,000,000	
Add 13 per cent. - -	21,000,000	
Add farther the taxable income of Ireland 25,000,000*l.* equal in money of 1792 to - -	21,000,000	
Total of our taxable income in 1822, (in money of 1792)		206,000,000

These results, which we present chiefly as approximations, convey a clear idea of the effect of increasing population on national income. The next point is, the difference of numerical amount produced by the rise or fall in the value of money.

Great Britain distinct from Ireland.	Money of 1972.	Money of subsequent years.
1792: Taxable income as per preceding table -	£125,000,000	
1806: Do. per do. - -	170,000,000	
After the general rise of prices that took place between 1792 and 1806, 170,000,000*l.* in money of 1792, was, in the money transactions of 1806, equivalent to - -		220,000,000
And an actual return of our national revenue or taxable income in the currency of 1806, would probably have given a sum of 220,000,000*l.*		
1813 and 1814: Taxable income as in last page -	188,000,000	
Equal, at a rise of prices of 60 per cent. since 1792, in all money transactions in 1813 and 1814, to -		300,000,000
Great Britain and Ireland. 1822. Taxable income as in last page - - -	206,000,000	
The calculation in regard to the value of money is now reversed, prices having fallen, or, in other words, money having risen in value between 1814 and 1822, nearly 40 per cent. Still it is about 20 per cent. lower than in 1792, so that the last mentioned sum (206,000,000*l.* money of 1792), is equal in the currency of 1822, to - -		247,000,000
A sum corresponding nearly with the amount of the table of taxable income contained in p. 249.		

Our next object is to introduce our burdens into this comparative table, and to calculate their proportion at different periods to our revenue.

Statement of our public burdens and national revenue, calculated for distinct periods. The public burdens include taxes (before deducting the expence of collection), poor-rate, and tithe.

Great Britain distinct from Ireland.

Years.	Public Burdens.	Our National Revenue or Taxable Income.	Proportion of Burden to Revenue.
1792	£22,000,000	£125,000,000	nearly 18 to 100
1806	60,000,000	221,000,000	27 to 100
1814	80,000,000	300,000,000	27 to 100
Great Britain and Ireland, (see Appendix, p. 84.)			
1822	70,000,000	250,000,000	28 to 100

The sums inserted above, as forming the national revenue in 1806 and 1814, are specified in a preceding chapter, (page 40.) but there being considerable intricacy in the estimate, in consequence of the fluctuation in the value of money, we subjoin a comparative statement of our public burdens and national revenue reduced to a common standard, viz. the money of 1792.

Great Britain distinct from Ireland.

Years.	Public Burdens, in Money of 1792.	Our National Revenue or Taxable Income in Money of 1792.	Proportion of Burdens to Revenue.
1792	£22,000,000	£125,000,000	nearly 18 to 100
1806	46,000,000	170,000,000	27 to 100
1814	50,000,000	188,000,000	27 to 100
Great Britain and Ireland, (see Appendix.)			
1822	58,000,000	Great Britain 185,000,000 Ireland - - - 21,000,000	28 to 100

The reduction to a common standard is useful in several respects, correcting the exaggerated estimate, which, during the war, we were accustomed to make of both our burdens and our resources, while, in regard to the present time, it exhibits the remarkable and unwelcome truth, that our taxation though reduced numerically (by the repeal of the Property and other taxes), is greater in its actual amount than during the war.

Nothing can show more strongly the importance of the discussion on which we are now to enter, viz. whether the measures that form the subject of the succeeding chapters are calculated to afford us substantial relief.

CHAP. IX.

Fluctuation in the Value of Money or in the Price of Commodities.

The fluctuation in prices consequent on the great political transitions of the age, has been already discussed in our second chapter: at present our object is to pursue the same inquiry on a more comprehensive plan, referring to changes that have taken place in former ages, and explaining the injury likely to arise from their recurrence. The subject naturally divides itself into the following heads:—

The tendency of prices to fluctuate.

Impracticability of foreseeing or preventing such fluctuation.

Plan for lessening its injurious operation.

Effect of such a plan on agriculture, on the funds, on time contracts generally.

Tracts published on this Subject.— The changes in the price of commodities, or, in other words, in the power of the precious metals to purchase them, form one of the most interesting inquiries in political economy. To the reader of history, a knowledge of such changes is indispensable to the formation of a correct estimate of the price of labour, of the public revenue, and of the comparative wealth of a nation at different periods; while, in a practical view, it is of very serious interest as connected with the future value of bequests, leases, and time contracts generally. But the

documents required for forming an estimate of these changes, are as yet far from satisfactory, the subject never having engaged the attention of government, and but lately that of any of our public bodies. In France, a country little remarked for statistical research, the attempts hitherto made to compare the rate of prices at different periods have been confined to a few literary men: in England, one of the earliest, was that of Bishop Fleetwood, who collected prices of wheat during a number of years from the 13th to the 17th century, and reduced them to money of our present standard. His labours, published in 1707, formed the chief materials for the reasonings of Dr. Smith, whose life was not prolonged until the publication (in 1797) of a very valuable addition to such collections by Sir Frederick Eden, in his work on the "State of the Poor," the copious materials of which have been termed a *fons perennis* for succeeding inquirers.

In 1798 there appeared in the Transactions of the Royal Society, a tabular statement by Sir George Shuckburgh, which, from the clearness of its form (See Appendix), and the confidence of its deductions, obtained much more credit than it deserved, being far from correct, even in the fundamental points. In 1811, the late Arthur Young, alarmed at the impression made on the public by the Report of the Bullion Committee, and dreading a contraction of paper currency attended by a fall in the price of agricultural produce, entered into researches of great extent, both as to the past and current prices of commodities, and published the whole in a pamphlet entitled "An Inquiry into the Progressive Value of Money in England." This tract, however inaccurate in a theoretical

sense, has a claim to attention, as well for the value of its materials, as for a correction of the mistakes of Sir George Shuckburgh. Since the time of its publication, serious beyond example as has been the fluctuation of our prices, there has appeared no treatise of consequence on the subject.

Historical Sketch of the Fluctuation of Prices. — It is a common idea that the money prices of commodities have been progressively rising since the Norman Conquest, or even since the prior period, when the luxury of Rome, and the revenue paid to it by tributary provinces, disappeared before its rude invaders from the north and east. To this opinion, however, there are several strong objections. The supply of gold and silver from the mines, was, during the middle ages, scanty and precarious; while the numbers of the society requiring the use of the precious metals, in other words, the population of the west and central part of Europe, were, in some degree, in a state of increase. Dr. Smith, reasoning on the price of commodities generally, from the price of corn, and founding his view of the latter on the collections of Bishop Fleetwood, assumes, that from the year 1200 to 1550, there was no considerable rise of prices; and that such rise did not begin till the reign of Elizabeth, the time when the American mines became productive on a large scale. The import from that quarter, small as it would appear in the present age, was sensibly felt at a time when silver was very little used in manufacture, and not largely in plate: its amount was, under such circumstances, almost wholly added to the circulating medium of Europe. This addition was considered by Dr. Smith the

main cause of the rise of prices which continued until the year 1650, when, from circumstances on which we shall enlarge presently, a suspension of rise took place, and prices became either stationary or declining. This state of things lasted until 1764, when, as is well known, a new æra commenced and continued until 1814.

Effect of a State of War.—Dr. Smith's view of the progressive value of money is admitted by Mr. Young, but neither of these writers has thought of tracing a correspondence between the fluctuations in the precious metals in the 16th and 17th centuries, and the political transactions of Europe. A state of war tends, as we have shown in a preceding chapter, greatly to advance prices, and the rise in the reign of Elizabeth may, in no inconsiderable degree, be ascribed to the increase of military establishments in that age, to our defensive attitude against Philip II., to the obstinate contest carried on between him and his insurgent subjects in the Netherlands, to the civil wars of France, and to the troubled state of Germany. On the other hand, after the treaty of Westphalia the chief part of Europe enjoyed tranquillity, and the effect on trade and agriculture, of reduced armies and diminished taxes, is described by Sir W. Temple, in a manner that strikingly resembles the state of this country and the Continent since the late peace. This accounts for the decline of prices that prevailed after 1650, but the application of our theory is not so clear after 1672, when war was renewed on a great scale, and continued, with comparatively little intermission, during forty years. Add to this, that there took place, during all that time, an import of specie from America to an extent somewhat increased; viz. to the amount

of three, four, or five millions, annually. In what manner, under the operation of this double cause of enhancement, are we to account for prices experiencing no great or permanent rise? Perhaps by the following considerations: —

1. An increased use of the precious metals, in plate, manufactures, and ornaments, in consequence of the general increase of wealth.

2. An augmented export of them to the eastern world, chiefly through the means of the Dutch East India Company.

3. The fact, that previous to 1672, the supply of agricultural produce in England, as in the north west of Europe, generally, had become somewhat more than equal to the consumption; a disproportion, of which the effects are generally felt for a long series of years.

The peace of Utrecht was the commencement of a period of general tranquillity; government expenditure was reduced, labourers were restored to agriculture, and the decline of prices became general and progressive. In vain did our landholders look to the bounty on the export of corn for a counteraction of the fall in the markets; they exported largely, and received premiums on a liberal scale, but their abundant growth kept down the home market, and the excess of supply over consumption continued during half a century, terminating only in 1764. Nor is it at all probable that it would have ceased at that time, peace having been but lately concluded, had we not had a succession of indifferent seasons. These raised prices, and the contest that ensued with our colonies, prevented their fall.

After 1783, the restoration of peace tended, naturally, to reduce prices, but its effect was re-

tarded by several causes, in particular, the demand of hands for our manufactures, and the occasional occurrence of indifferent seasons. After 1792, the progress of enhancement was accelerated in an unexampled degree by the general state of war consequent in the French revolution. A rise of prices progressive during twenty years, and amounting at last to more than 60 per cent. above those of 1792, overturned time contracts throughout the kingdom, depressing annuitants while it raised tenants on lease, with various other classes, above their former station, — an elevation, unfortunately, of short duration, since they have been made to descend from it with still more rapidity in the years that have followed the peace.

Can such Fluctuations be foreseen or prevented? — After this summary of the principal facts in regard to the fluctuation of prices, the next and still more important point is to ascertain how far such fluctuations are likely to continue. But here the most indefatigable inquirer will find the result uncertain, and be obliged to admit, that in so complicated a question, all that we can do with confidence, is to state the arguments on either side. Those in favour of the rise of commodities, are,

The contingency of war.

The probable increase of the produce of the mines, from the application of steam-engines and other improved machinery.

The farther substitution of bank paper for metallic currency; a substitution, which, in its general (though not in its local) effect, operates like the increased productiveness of a mine.*

* Our mention of bank paper must always be understood as of bank notes payable in cash: a resort to non-convertible paper

On the other hand, the arguments for the fall of pricesr ae equally substantial; viz.

The tendency of all improvements in productive industry, whether in agriculture, manufacture, mechanics, or navigation, to produce cheapness.

The increasing demand for the precious metals, from the increasing population of the civilized world.

As to England in particular, the tendency of a country where prices are higher than in the neighbouring states, to approximate by commercial intercourse to the standard of other countries.

Supply of Specie from the Mines. — The amount of specie extracted annually from American mines, was computed in 1760, at 6,000,000*l.* sterling: in the course of the succeeding twenty years, it had increased to fully 7,000,000*l.*, and some time after (Appendix to the Bullion Report of 1810.) to 8,000,000*l.* In this, as in other respects, Mexico is by far the foremost of the Spanish colonies, the yearly produce of her mines being nearly five millions sterling, while that of the rest of Spanish America may be estimated at three millions more. Adding to these, somewhat less than a million sterling for Portuguese America, and somewhat more than another million for the mines of our own hemisphere, we make a total of nearly ten millions annually added to the stock of the precious metals throughout the world. From this, however, is to be made, both at present and for some time back, a deduction on account of the political troubles of Spanish America: still the importation

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will, we take for granted, be henceforth excluded from our financial creed.

is on a large scale, and would speedily produce depreciation, were not the demands of the civilized world on the increase.

Consumption of Specie. — The demands for the produce of the mines, arise from various causes, of which the greatest, by far, is the annual consumption for plate, watches, gilding, and ornamental manufacture, generally. The amount of this admits of no satisfactory calculation, but is probably (Appendix, p. 89.) not far short of two-thirds of the total produce of the mines. Next comes the demand for coin: the currency of almost all the Continent of Europe is metallic, and an annual supply is requisite, partly to make good accidental loss or the effect of wear, partly to meet the increase of population. This, though not large, may, when joined to the annual export of specie to India and China, (to say little of losses arising from shipwreck or hoarding) account for the absorption of the remaining third of the produce of the mines. What then appears to be the general result? That in ordinary times these various sources of demand are equal, or nearly equal, to the amount supplied from the mines; but that for some years back (since 1818), they appear to have been more than equal, in consequence of the extra-demand for gold on the part of the banks of this country, Russia, and Austria, for the purpose of substituting a metallic for a paper currency.

Dr. Smith, in adverting to the future supply of specie from the mines, considered it an equal chance that old mines may become exhausted, as that new mines may be discovered, or the produce of the old increased. Without contesting the accuracy of this opinion in his age, it will hardly be doubted, that since the discovery of the powers of

steam, the application of improved machinery to the existing mines, would be productive of a very considerable extension of produce; but whether, or in what time, it will be carried so far as to lower materially the value of specie, it appears in vain to conjecture.

Circulation of Bank Paper. — Our countrymen, accustomed during more than half a century to the use of bank notes, have observed, with some surprise, that a currency so cheap, and apparently so easy of introduction, should, as yet, be hardly known on the Continent. The bank of France, though of undoubted stability, has found it practicable to establish branches in a few only of the provincial towns: several, containing a population of 40,000 and upwards, are still without such branches; and there is not a private bank of circulation in the whole country. The causes are, the distrust excited by the recollection of the assignats, the want of confidence in government, the absence of commercial enterprize, as well as of the habits of care and arrangement, which are indispensable to success in a line of itself less profitable than is commonly imagined. Holland, with all her commercial improvements, has never adopted the bank-note system, while in Austria, Russia, and Sweden, the paper circulated is a forced government currency, not convertible into cash.

The obstacles to the circulation of bank paper on the Continent, would probably have yielded to the effects of peace and augmented trade: but they appear to have received of late years, a confirmation in the increased facility of forgery; and it would thus be vain to calculate on the extended use of bank paper, or on any effect likely to arise

from it in regard to the value of the precious metals.

Supply of Agricultural Produce. — Though corn is so liable to fluctuation, as well from difference of seasons, as from the occurrence of peace or war, it is remarkable that a character of rise or fall when once stamped on a period, is found to prevail during a considerable time. Thus, the rise of price begun in the early part of the reign of Elizabeth, continued, with only occasional intermissions, to 1650, not far short of a hundred years. At that time began an æra of stationary, and, in some degree, of decreasing prices, which, with temporary suspensions during the indifferent seasons and expensive wars of the reigns of William and Anne, continued until 1764. From that year until 1814, we had no less than fifty years of brisk demand and high prices; while at present, as far as can be judged from appearances, either in England or on the Continent, we are entering on a period similar to that which followed 1650 or 1713,—a period when our growth being somewhat more than adequate to the demand, the market long continued heavy, and prices, in a great measure, stationary.

In what circumstances are we to look for the cause of a stagnation continuing during so long a period as half a century? In the investment of capital and labour in agriculture, to an extent productive of a surplus growth; and in the fact, that, as in the natural course of things, the producers increase in the same proportion as the consumers, the disproportion continues, year after year, until the occurrence of some great national change, such as a war, or the direction of an extra portion of labour to manufactures.

To return to the more immediate object of our enquiry — the effect of the cost of corn on prices generally. This effect is of the greatest importance, both as corn is the chief object of family consumption, and as it regulates, in a great measure, that other main constituent of prices, the rate of labour. At present, the operation of the corn market is altogether to reduce prices, at least to confirm the reduction that has taken place. Nor is this at present likely to alter the effect of our taxes on agricultural expenditure, is, as we have shewn in a preceding chapter, considerably overrated, and the charges of tillage bid fair to return to a standard little higher than that of 1792. Such is also the prospect in France and the Continent at large; a settled state of peace reducing the cost of labour, and preventing, in consequence, any permanent rise of prices in the corn market.

Effect of Continental Prices on those of England. — In the case of two countries enjoying peace and the benefit of commercial intercourse, there is a perpetual tendency to equality of price. The reasons are obvious; there exists a direct motive for emigrating from the dearer country, and for making in the cheaper, articles for clandestine importation into the dearer. In the latter, the rate of interest is generally lower, and affords a temptation to send out of it funded and other monied property. The operation of these causes, steady, though almost unseen, has been a main reason of the fall in our prices since 1814.

War; Mode of its Operation. — Of the effect of war there can be no doubt; it enhances commodities in various ways: — First, by the addition

of a tax to the price of an article; next by a general rise in labour from the demand for men for government service, whether in the field or in the preparation of clothes, arms, and other warlike stores; and, lastly, by the interruption of international intercourse, and the increased charge of transport. If these causes had a serious operation on prices in the 16th and 17th centuries, their effect has been greatly increased by the adoption of the funding system, since which, the scale of military expenditure has been enlarged in every country of Europe.

What, in this respect, was the situation of France during the reign of Bonaparte? His unsettled government and personal want of credit, discouraged loans, and prevented one great source of expenditure; nor was his power displayed with much effect in the imposition of additional taxes. But the demand of men for his service, was on a large scale, and, without the operation of either paper-currency or war taxes, prices in France rose between 1792 and 1814, fully 30 per cent. From this important fact we may form some idea of the effect of a new war on the prices of commodities in England, without supposing a repetition of extreme measures, such as an exemption from cash payments, or the stoppage of neutral navigation. Even in a mitigated form, the effect of war on prices is so decisive as to counteract, in the course of a few years, the operation of almost all the causes of reduction. On this, however, we forbear to dwell, because a recurrence to a state of hostility, to that state which subverts the calculations of the governor, as it destroys the happiness of the governed, will be less and less frequent, as sovereigns become aware of the barren glories of

the field, of the substantial advantages of continued peace.

The arguments for the rise, as for the fall of prices, are thus of great weight, and no question, it is evident, can be more complicated, or present a longer catalogue of opposing causes. On the one hand, what a prospect of fall is held out by the application of improved machinery to the American mines, and the introduction of bank paper on the Continent of Europe! On the other, what a counterpoise from the prospect of increased population or the recurrence of a state of war! To attempt to strike a balance between these contending causes, to advance an opinion in regard to future probability, would be vain: all we can pronounce, is, that fluctuation in the value of money cannot be prevented; that it can hardly fail to recur again on any great political transition; and that a measure which should put an end to uncertainty in long contracts, would relieve us from a great actual evil.

Injurious Effect of Fluctuation. — Money, as Dr. Smith remarks, (Book I. Chap. V.) is an unexceptionable measure of value in buying and selling; and it is, in general, a safe measure in a contract from year to year; but in a contract of long duration the case is far otherwise. How great was its depreciation during the war; and notwithstanding the various disadvantages attendant on landed property, how general was the preference given to it in the case of a provision for a young family, for grand-children or for any remote object. Is it not in the unfortunate tendency of money property to fluctuate, rather than in any dis-

trust of the stability of the public funds, that we are to look for the cause of stock selling for 6, 7, or 8 years' purchase less than land? Then, as to land itself, and the mode of letting it, can we trace among the various objections to long leases any so powerful as the uncertainty of the value of money? Lastly, amidst all the difficulties in the question of a commutation for tithe, what operates so directly to prevent the church from acceding to a fixed money income, from reducing to a determinate form, that which, in its present unsettled state, leaves open so wide a field for contention?

The Situation of Annuitants. — We have already explained in our second chapter, that the fluctuations in the price of land and houses during the war, were, in a great measure, nominal; that it was, in general, money that changed, and commodities that maintained their value. This maintenance of value was exemplified in many other respects; in income derived from personal exertion, whether in the shape of wages, salaries, or professional fees, the whole exhibiting a tendency in the transactions of life, to find their level, and to counterbalance all artificial changes, whether arising from additional taxes, the non-convertibility of paper-currency, or the restriction of national intercourse. But from the benefit of this tendency to equality, the fixed annuitants are excluded; they alone are unable to guard against a progressive decline of income during a war; and the increase of income which they may receive, as at present, at a peace, will hardly prove an indemnity to them if it bear too hard on the solvency of their debtors. Are we not, therefore, justified in inferring, that the case of the annuitant, as it

stands at present, is unnatural, and at variance with the rules of equity; and may we not conclude that by conferring on money income, the stability attendant on income derived from labour or real property, we shall correct an essential defect in our institutions?

With the importance of such a provision, we shall be more strongly impressed after calculating the amount of money-property in the kingdom,—the property that would be beneficially affected, or relieved from uncertainty of value, by the adoption of such a measure. In former ages, when the funding system was unknown, and loans of money from one individual to another, were of very limited extent, land, houses, furniture, implements and clothing, comprised almost every description of property: they constituted "the moveables and immoveables" of our ancient statutes. But within the last century, there has arisen in the public funds, in canals, docks, and other undertakings, held in shares, as well as in private loans, (on mortgages and otherwise), a property *represented solely in money*, of which the aggregate approaches to two-fifths of the total wealth of the kingdom.

Thus, were we to compute the land, the houses, the farming, the manufacturing, the mercantile stock of Great Britain and Ireland at 2,000,000,000*l.* (see Appendix, p. 82.), we should not be disposed to rate our public funds, the amount of loans existing between individuals, the value of shares in public works, in short, all property of which the value is directly affected by the rise or fall of money, at less than 1,200,000,000*l.* Though of this sum the greater part can hardly be called an addition to the national property, the whole is evidently

individual property; and its amount is demonstrative of the magnitude of that income, which is most affected by fluctuation of prices.

Plan for lessening the Injury arising from the Fluctuation of Prices.

If we proceed to analyze the use of money, whether for national or individual purposes, we shall find it resolve itself into the power of purchase, or, in other words, into the power of procuring articles for consumption. It is consequently of much more importance in all contracts of duration to look to the *value* than the numerical amount of a given sum. The expediency of this has long been felt, and the price of corn recommended as a standard of reference and regulation. Such it, in some measure, may be in a country like France, where the majority of the lower orders are strangers to the use of foreign articles, such as groceries, and expend literally three-fouths of their wages on bread. It is farther suitable in that country in an indirect sense, from its influence on the price of labour, as manual labour is there made to perform much more in agriculture, and even in manufactures, than with us. The case of France is that of the Continent at large, and was that of our ancestors a century ago, but circumstances are now much altered, our consumption of corn having undergone a comparative reduction, while manual labour is far less than formerly a constituent of price in our manufactures. Hence, the expediency of giving not only to our produce, but to our imported and our manufactured articles, a direct weight in the scale of calculation.

That corn enters in a very different proportion

into the expenditure of different classes, will be apparent from a short comparative sketch.

Heads of Expenditure. (See Appendix, p. 93.)	Family of a Cottager; Expence about £37 a Year. Proportions in 100.	Family of the middle Class, residing in a Provincial Town, Expence £370 a Year. Proportions in 100.
Provisions - -	74	33
Clothing and Washing	13	18
House-rent - -	4½	10
Fuel and Light -	7	6
Other charges, namely, Wages, Assessed Taxes, Education, Medical Attendance, &c. -	1½	33
	100	100

This sketch, brief as it is, puts in a very clear light the difference between the wants of the lower and those of the middle and upper classes. The head of wages has, of course, no place in the expenditure of the poor: the price of butcher meat is of much less consequence to them than to their superiors; the price of corn of much more.

A Table of Reference.—To the middle and upper classes, corn is evidently ineligible as a standard of value. It forms in a direct sense, hardly a third of their expenditure, and though, on making allowance for its indirect operation, in particular for its effect on wages, we become more aware of its importance, and more disposed to lend an assent to the doctrine of Dr. Smith, who assumed labour as the measure of value, and corn as the measure of labour, it will hardly be denied, that in an age of such varied and refined expenditure, a standard of a more comprehensive character, ought if possible to be adopted. Now, the progress of statistics, and the multiplication of official

returns within the last half-century, have supplied *data* in a great measure unknown to Dr. Smith, and have suggested to us the practicability of framing a standard from materials, which in his time might not have appeared reducible to a definite form. Of this, some idea may be formed from a table in the Appendix (p. 95.) comprising a list of articles of general consumption, corn, butcher-meat, manufactures, tropical products, &c. and containing the probable amount of money expended on each by the public. This table is followed by explanatory remarks, in particular by a notice of the alterations that ought to be made in it periodically, to render the result exhibited by it conformable to the fluctuations of our market. Aware, however, of the uncertainty of statistical calculations, when unsupported by official returns; aware, also, that to give to a table the authority requisite for such a document, must be a work of much time and labour, we decline inserting it in the text, and confine ourselves to an anxious recommendation of the principle; to an explanation of the benefits that would arise from the adoption of such a standard.

What, it may be asked, would be the consequence of our possessing a table such as we have supposed? The ascertaining on grounds that would admit of no doubt or dispute, the power in purchase of any given sum in one year, compared to its power of purchase in another. And what would be the practical application of this knowledge? The correction of a long list of anomalies in regard to rents, salaries, wages, &c., arising out of the unfortunate fluctuations of our currency. In the present undefined form of leases, annuities, and other time contracts, the 100*l.* of this year may, three years hence, be equivalent in power of

purchase, either to 110*l.* or to 90*l.*, the former being probable, if peace continue, while the latter is a moderate estimate of the change that would follow the first year of a war. So much are the chances on the side of fluctuation, that it may almost be said, that an "adherence to a fixed sum of money implies an acquiescence under a change of value." But a table exhibiting from year to year, the power of money in purchase would give to annuitants and other contracting parties, the means of maintaining an agreement, not in its letter only, but in its spirit; of conferring on a specified sum a uniformity and permanency of value, by *changing the numerical amount in proportion to the change in its power of purchase.*

But it by no means follows, that a change of numerical amount ought to be annual: it would, doubtless, be sufficient that it took place at periods of three, five, or seven years, taking as the criterion the average value of money in purchases thoughout the whole period.

Documents for the Formation of such a Table. — By what means would it be practicable to obtain the information necessary for the completion of a table of national consumption? As yet the official materials are limited, or rather the application of them has been on a confined scale: enough, however, has been done to show the practicability of obtaining the information we desire. Thus, in regard to corn, the registers, both as to price and quantity, are now on a more satisfactory footing than in former years: of sugar, a similar record has long been kept, and there are also registers, which might easily be rendered more complete, of our woollen and linen manufactures. Of the consumption of all excised articles, es-

timates approaching to correctness may be formed from documents in possession of that Board; while in regard to foreign commodities, the custom-house would supply similar results. Then, as to average prices, there are the books of the Victualling Office, of the Commissariat department, and of public hospitals, such as Greenwich. The Board of Agriculture has at various times obtained information, not strictly official, but substantially correct, by sending circular letters to their correspondents throughout the kingdom; a plan acted on to a great extent by the late Arthur Young, in 1811.

Returns of this nature, when obtained, might easily be reduced into the tabular form on the same plan, but with much more discrimination than was shown by the late Mr. Colquhoun. Since the date of his calculations (1812), great changes have occurred in respect both to price and quantity, and to make the collections with the accuracy requisite to form a document of authority would require an extent of labour beyond the means of an individual. A task of such length, and of such general utility, should be defrayed from a common fund, and government, if unwilling to give so direct a sanction to a new project, as would be implied by the appointment of persons for collecting and comparing materials, would, doubtless, on the demand of any respectable association, communicate all returns in the public offices that are applicable to the subject.

Referring to the Appendix for the details of the table, and the calculations connected with it, we shall at present, for the sake of illustration, take its establishment for granted, and proceed to discuss the effects that such a measure would have on the great interests of the country.

Effect on the labouring Classes of the adoption of such a Standard.—The use of money to the largest, though humblest class in society, is very simple, extending to little beyond the purchase of the articles mentioned in the preceding sketch of the expenditure of the cottager. It is subject, however, to some modification in the case of the inhabitants of towns, among whom the proportion required for house-rent, fuel and clothing is larger, and that for provisions smaller than in the family of the cottager. To both, the chief object of expence is corn, the average price of which is already ascertained periodically; but to render the table complete, our wish would be, that the average of the other articles consumed by the labouring classes, such as beer, coarse clothing, fuel, were in like manner put on record. If to such returns were added a few plain tables of the average consumption of the lower class in various situations, one for an unmarried labourer, others for a labourer married, and having two, three, or four children, it would be an easy process to calculate how far a given sum of wages (for example 45*l.* annually) was more or less adequate than in former years to the supply of such wants. We should then possess completely the means of judging of the comparative comfort of the working classes; of making, in a manner satisfactory and conclusive, the calculations hitherto prepared with much labour, and an unavoidable share of error by Sir F. Eden, Mr. Barton, and others.

How important would have been such a standard of reference throughout the last thirty years, a period of such frequent contention between the employer and the employed! During the war,

workmen in towns were repeatedly obliged to combine for the purpose of raising their wages to the level of provisions, and in rural districts, where combination was impracticable, the poor-rate was called in to supply the deficiency. At present the case is reversed; the employer, whether a farmer or a tradesman, has found, and will long find it a matter of the greatest difficulty to reduce wages to the standard justified by the fall of provisions.

What a scene of inequality is exhibited at present by the current payments of the metropolis! Wages, salaries, professional fees, are almost all on as high a scale as during the war, notwithstanding the cessation of the two great causes of rise, — the expence of living and the extra demand for labour. The persons, whether of high or low station, who are in receipt of the established allowances, if called on for an abatement, would naturally plead the uncertainty of provisions continuing at their present rate: and nothing, it is evident, will induce them willingly to assent to a reduction, except a guarantee against a recurrence of the grand evil — a rise of prices. In this most desirable object we should hope to succeed, not by a compulsory course, not by an interference between the payer and receiver, but by an alternative offered to their voluntary adoption; by putting it in their power, when making a time contract, to give a permanent value to a money stipulation; or to find, when no such precaution was taken, an equitable standard of reference.

Such a regulator would carry conviction to all parties, and operate greatly to abridge altercation. At a time like the present, it would relieve the inferior from much of the anxiety and humiliation attendant on reduction; and, in the case of a rise of

prices, it would guide the employer to a fair advance of wages, the distributor of charitable aid to a fair apportionment of relief.

Effect of such a Measure on Agriculture.— In no department of our productive industry, has our progress as a nation been less conspicuous than in tillage; our superiority over our continental neighbours being in a great degree limited to our live-stock and our machinery. On computing the annual amount of property created in the kingdom, we find, after making a great deduction from the prices (moderate as they were, considering the state of markets at the time) assumed by Mr. Colquhoun, that the annual produce of the agriculture of Great Britain and Ireland still amounts to 120,000,000*l.* What a field is here open for the application of skill and judgment, and how great the call for both under the present distress of our agriculturists!

It is not a little remarkable, that several of the counties, such as Norfolk and Northumberland, in which our husbandry is most improved, are by no means our most fertile districts naturally. To what, then, are they indebted for their superiority? To a cause which Mr. Coke has repeatedly pressed on his brother land-holders, both in and out of parliament, — that there is *no good agriculture without leases.* In what other way can we explain the high rents paid in a country in general so little favoured in soil and climate as Scotland? The objections of our landlords to long leases, are various, arising partly from the habits of their predecessors; partly from a reluctance to part with the command of their property for a number of years; but, more than all, from

the uncertainty of the value of money. During the war this uncertainty was of very serious import: at present it is removed, as far as regards landlords, by the return to cash payments, and the difficulty now is to induce a solvent tenant to take a lease. To both parties, therefore, the fluctuation of our currency, even when metallic, is replete with anxiety.

Of late, the great fall of price has induced several of our principal land-holders to regulate their rents by the price of corn; a plan open to many objections, when varied from year to year, because, a season of high price may be, and probably is, a season of deficient produce. When calculated on the price of a series of years, this course is less exceptionable: in any form, however, it seems less eligible than the plan which (Appendix, p. 98.) we are desirous to propose, of combining the price of corn with that of other articles of consumption.

Tithe. — Referring to the remarks under this head in the Appendix, we shall at present merely observe, how great would be the benefit accruing from a regulating standard, applied to clerical income, and calculated, as far as regards permanency of value, to justify the church in commuting tithe for a money stipend. A change of that nature would, on the one hand, put an end to altercations unfortunately too frequent, while on the other, it would prevent tithe from operating as an impediment to agricultural improvement. The great, and at present, well-founded objection of the clergy, to a permanent commutation of tithe, is a dread, not of the faith of parliament, but of the uncertain value of money: remove that apprehension and you give them substantial mo-

tives to prefer a fixed sum, whether they look to the interest of themselves or their successors. In the protestant church of Holland, they have an example of stipends paid during more than two centuries, by magistrates or by government, without any derogation from the respectability of those who received them: and if in France, the amount of clerical income be too small to be dwelt on when we are treating of a Protestant establishment, the regularity of its payment during twenty years, under circumstances of great financial embarrassment, is calculated to lessen one material ground of apprehension.

The commutation to which we allude, does not, of course, imply any reduction of the existing income of the clerical body, nor a relinquishment of any security arising from the tenure by which they are at present invested with tithe. A change from an unfixed to a fixed money income, may evidently take place without interfering either with such security, or with the patronage of the church as at present established. But on this we will not enlarge, our subject naturally confining us to the result of the measure in a statistical view; a view in which it would soon disclose the most satisfactory results. Under our present system the church is entitled to an increase of revenue in proportion to the increase of produce, but such, we may safely take for granted, would form no part of its demand under a different arrangement. All that its representatives would be likely to desire, would be an assurance that the contract should be maintained *bonâ fide*, that the sum once fixed should be made good, whatever be the fluctuations of our currency.

What would be the result to the agriculturists of a change of the nature we have supposed? All, whether landlords or farmers, might extend their tillage as they chose, without being annually taxed in a portion of the produce. Our numbers are on the increase; our production increases with them, and it is, above all, in a case of such increase, that the pressure of tithe is felt. An exemption from it is most strongly called for by our situation, present and prospective; and may we not add, that when viewed in connexion with the various circumstances stated in our chapter on Agriculture, it would render probable, a result, on which, at present, it seems somewhat bold to speculate, we mean Mr. Tooke's idea of the practicability of our competing with foreigners in the export of corn, as was done by our countrymen previous to 1764.

Application of the proposed Plan to the Public Funds. — The effect of such a plan, applied to the public funds, would be of the highest importance. It would ensure to the stock-holder and his posterity, the same income, whether the country was at peace or war; whether its currency were sound or depreciated; whether the mines of gold and silver throughout the world, became more or less productive. The 100*l.* of 1792, which in 1806 was equivalent to 80*l.*, and seven years after, to only 60*l.*, would thus remain 100*l.* throughout. The apprehensions which at present not unfrequently lead to sales of stock against the wish of the holders, would cease or be materially diminished, and funded, like landed property, would be seldom disposed of, except on particular occasions, such as when a repartition of property became ex-

pedient on the demise of a testator, on legatees attaining majority, or on their entering on mercantile business. In fact, after the adoption of such a measure, the chief features of distinction between land and stock, would be, that while the one possessed the attraction of local influence, the other would have the more direct advantage of dispatch and certainty in regard to receipt of income.

Its Effect on the Price of Stocks. — Nothing can be more different than a rise of stock caused by the adoption of a plan such as we propose, and a rise that might be consequent on the operation of a large sinking fund. The latter would have a perpetual tendency to counteract itself by rendering the price of the principal disproportioned to the interest; it would afford, moreover, a strong inducement to sell out and to vest capital in other securities, probably in foreign stock. But a rise proceeding from a course such as we are anxious to recommend, would prove an inducement to keep capital in our funds, the value conferred by the measure being, in its nature, permanent and likely to increase.

All this may be admitted, but the plan, it will be said, can be adopted by the governments of other countries, and our stocks soon deprived of any relative superiority which it might confer. Our answer is, that the success of such a plan, and the extent of rise attendant on its adoption, will depend chiefly on the degree of confidence that each nation has in its government; a point in which we possess a great and undoubted superiority over the rest of Europe.

The present is, we believe, the first proposition of a measure for giving a permanent value to our

funded property. Our public men, or rather the few among them who are accustomed to take comprehensive views of finance, have hitherto contemplated a very different course. Money, they saw, was declining in value during half a century, and funded property declined with it; a fall carefully kept by them in the back ground, and consequently in a great measure unknown to the public. Our successive chancellors of the exchequer anticipated (see pp. 71, 72.) a continuance of this decline, and silently calculated on its producing a diminution in the pressure of our debt. But the re-action of the last eight years, has greatly shaken this calculation: money has recovered, and along with that recovery, the pressure of our debt has greatly increased. It is time, therefore, to seek relief in a measure of a different character.

This brings us to a question, which, under present circumstances, may very naturally be asked by our readers, — why confer additional value on the funds, at a time when they have risen so considerably in the scale of comparison with land, houses, and merchandize? Our answer is, that we contemplate no undue favour to the stock-holder; we merely point out a measure, which, by benefiting him in the first instance, may give government a fair plea to demand from him a return calculated to afford relief to other classes of the community. To require such from the fund-holder without a consideration, would, of course, imply a sacrifice on his part, but the results which we anticipate from the proposed measure, will, if they be well founded, confer on him in one way as much as he may be called on to relinquish in the other. Thus, if it continue a favourite object with ministers to reduce the interest on the old four per

cents., nothing is so likely to promote that measure, as conferring an additional value on funded property. And if it be said that such would be a return partial and inadequate to the advantage conferred, the question may be cut short by the general argument, that if we succeed in improving materially the circumstances of the fund-holder, or of any great class in the community, government can have no great difficulty in rendering that prosperity conducive to the relief of the public at large. On the mode of doing it, we shall enter more fully at a subsequent date: at present our object is merely to convey an outline, and to satisfy our readers, that from giving a permanent value to our public dividends, a result, generally beneficial, might be expected.

We conclude this chapter by a few remarks on the general characteristics of the proposed plan. Does it, it may be asked, contain any thing compulsory or unfair, and in particular, does it imply the imposition of any burden on posterity? Our posterity will, in all probability, be in a far easier condition than ourselves, and would incur no loss from our conferring the character of permanent value on our dividends: on the contrary, they will, doubtless, be benefited by whatever shall be found conducive to the relief of the present generation. Our proposition may be termed an attempt to fill up a blank in the mode of regulating our productive industry, and to do it in a way not fanciful or artificial, but on the principles of unreserved freedom so strongly recommended by Dr. Smith and other eminent authorities. The provisions of the proposed measure would be all voluntary: a standard would be afforded to the public: an example of its application might, perhaps, be

given by government, but whether such were the case or not, the course to be followed in private transactions, would be perfectly optional. [illegible] contracts of individuals, whether rel[illegible]: the leases, or bequests, might, at the [illegible]ative to loans, ties, be made payable, either [illegible] will of the parproposed standard, or, as at [illegible] according to the undefined value. [illegible]resent, in money of

Such would be the oper[illegible] plan in regard [illegible] indivi[illegible]ation of the proposed national sense, w[illegible]m[illegible]iduals. Of its result in a of uncertainty f[illegible] safely say, that the removal most effectual [illegible]time contracts would contribute industry. [illegible] to the extension of our national ca[illegible]hat industry and its results have been n[illegible]ther by us than by almost any of our [illegible]s, but we are still far from having reached *erminus*: and no slight share of exertion will be equisite to raise our national income to the amou[illegible] necessary to bring it to that equality of pressu[illegible] that proportion between taxation and resour[illegible] which prevails in other countries.

How far, it may be asked, has the proposition now made, the sanction of precedent? That sanction, though it cannot be cited as of frequent occurrence, is not altogether wanting. The course now suggested, is analogous to the plan of corn rents lately adopted by several of our great proprietors, and which, for many years has been exemplified in the proceedings of the court of Teinds or tithe of Scotland. The decisions of that court purport that clerical income shall be regulated by the price of corn in the public market during a series of years. But were precedent wholly wanting, the rule, "that prospective engagements should be framed so as to maintain their *bona fide* value, whatever be the value of money," is so equitable, and

apparently so easy of execution, that there seems some difficulty in accounting for its not yet having found its way into practice. This has, we believe, been owing to two causes; the unfortunate neglect of political economy in the education of our public men; and the interest of government, the greatest of all debtors, to allow money to undergo a gradual depreciation.

CHAP. X.

Our Finances.

We are now a[illegible]aching to the end of our volume, and to [illegible] conclusion of our reasoning, having arrive[illegible]d at that department which most immediately [illegible]ffects the national welfare, and the chan[illegible]n which form the most anxious object of pub[illegible]lic attention. In this, as in the former chap[illegible]s, we shall begin by a statement of facts, a [illegible]etrospect to history, and after removing, or endeavouring to remove, several popular errors, we shall proceed to develope the measures apparently best adapted to our present situation, greatly altered, as it has been, by the events attendant on peace.

We propose dividing our discussion into the following heads: —

A historical sketch of finance operations;

The sinking fund, its merits and demerits;

The arguments for a farther reduction of taxation; and,

The length to which, with our present prospects, the demand of reduction may safely be carried.

The National Debt. — A public debt in one form or other, has been, in almost every country, an appendage of established government. Its

amount, however, seldom exceeded an anticipation of one or two years' revenue, until the funding system, or plan of rendering public obligations transferable from hand to hand, gave governments a surprising facility in borrowing. This, like many other ingenious schemes, both in civil and military affairs, originated with the Italians, and was adopted early in Venice, Genoa, and Holland. In England, it was not introduced until the great struggle made by King William against the aggrandizement of Louis XIV. of France; but if we were somewhat late in following the example, in our ultimate progress we have far surpassed our neighbours. Our debt amounted,

At the peace of Ryswick	-	in 1697	to -	£21,500,000
of Utrecht	-	- 1713	-	54,000,000
of Aix la Chapelle	-	1748	-	78,000,000
of Paris	-	- 1763	-	134,000,000
of Versailles	-	- 1783	-	238,000,000
of Amiens	-	- 1802	-	452,000,000
of Paris	-	- 1815	nearly	700,000,000
To which, adding the debt of Ireland, somewhat more than	-	-	-	100,000,000
Total present debt about			-	800,000,000

These sums represent the total of our debt at each period, without the perplexing distinctions of funded and unfunded, redeemed and unredeemed. Though the figures express an amount, not of money but of stock, the difference at *peace prices* is not much more than nominal: thus, our present debt, were it practicable to pay it off at the market price, would require an amount in money, not greatly below the 800,000,000*l.* of stock. But as there is no more reason to anticipate the liquidation of the debt of this than of other countries,

the more correct course, and that which conveys the more distinct idea of the extent of the burden, is to follow the French method of computing the responsibility of government, not by the principal, but by the sum required to pay the interest; a sum which, since the reduction of the Five per cents., may be called, in round numbers, 30,000,000*l.*

Fluctuations in the Price of Stock. — By fluctuations in stock, we must be understood to mean changes proceeding not from the rumours perpetually in circulation on the Stock Exchange, which are too absurd for notice, and operate only for a few days, but from causes of a more comprehensive and permanent character;—the credit or discredit of government; scarcity or abundance of capital; the adequacy or inadequacy of our resources to our burdens. The extent of fluctuation has, of course, been very great at different periods of our history. During the peace that followed the treaty of Utrecht and the prudent administration of Sir Robert Walpole, stocks rose greatly, the three per cents. having attained par in 1732, and being, in 1739, the time when that minister was forced by popular clamour to declare war against Spain, at the very high rate of 107*l.* in cash for 100*l.* in stock. They continued high during several years of the war; and it was not until the range of hostilities widened, and assumed a serious aspect, that their fall became great. The same may be said to have applied to the more successful contest begun in 1756, the three per cents continuing between 70*l.* and 80*l.*, until 1760, when our loans in consequence of the national ardour and the confident character of Lord Chatham, were carried to an amount at that time un-

precedented. In the American war the fall was more rapid: it was great from the time that France took part against us, and the public became aware of the imbecility of our ministers in conducting the contest.

Mr. Pitt's Administration.—In 1784, Mr. Pitt succeeded to a financial charge, productive for several years of great attention and embarrassment: our prospects, however, gradually brightened, and ere the expiration of the ten years of peace that preceded the war of 1793, the nation had risen superior to its difficulties. This was the æra of the so-much-applauded revival of the sinking fund. Partly by the effect of that measure, more by the general prosperity of the country, our 3 per cents. were carried in 1792 to the high price of 97; a price from which they fell as soon as the public became aware that our government had determined to take part in the coalition against France. But as during the first two years our expences were comparatively limited, the great decline did not take place until 1796, or rather 1797, when the 3 per cents. sunk to the unexampled low rate of 47. It was then that our minister felt the necessity of altering his financial plan, of lessening loans and augmenting taxes: he came forward accordingly with the bold proposition of raising a large proportion of the supplies within the year; a course, which, alarmed as the nation was at the aggrandizement of France, obtained general concurrence, and soon received a consolidated form by the imposition of the income or property-tax.

In consequence of this decided measure, and of the splendid success of our continental allies, in

1799 our stocks revived, but they fell towards the close of the year, when the fickle Paul forsook the coalition, and Bonaparte, ariving from Egypt, gave new vigour to the resources of France. Large loans became again indispensable, and our funds continued comparatively low, until the signature of the preliminaries in October had a tendency to reinstate [illegible] measure. was too short and too [illegible] cumstances becom- great rise. bearing 3½ per cent. below that rate during

War of 1803. [illegible] evidently for the purpose the 3 per cents [illegible] substitute. The project, some time, t[illegible] nsequence of the general fall them at a v[illegible], and there afterwards occurred were cheer[illegible] opportunity until the beginning of ing [illegible] ear, when, as is well known, the re- en[illegible] s very successfully accomplished. ere remains open to reduction a farther por- of our stock, viz. the old four per cents., ich, distinguished from the four per cents. created in the present year, amount to about 70,000,000*l.* This sum is large, but in other respects the question of reduction stands on very doubtful grounds. The saving of a half per cent. in the interest would give only about 300,000*l.* clear, and it seems very doubtful at what period the course of circumstances will admit of even that diminution.

Our other Financial Measures. — The course contemplated by government at the close of the war, was to keep up an efficient sinking fund, and to continue during several years the property-tax on the reduced scale of 5 per cent. This plan fell to the ground on the rejection of that tax by the House of Commons on 18th March, 1816; a rejection altogether unexpected by ministers,

that ensued, government were unluckily obliged to contract for a loan early in June, and were thus deprived of the benefit of the rise which immediately followed the success of our arms. In 1816, peace was consolidated, but the price of commodities [illegible] a great fall, and much distress

Mr. Pitt's plan.

succeeded to a finan[illegible]de and agriculture, the funds several years of great [illegible]. In 1817, appearances improved: our prospects, in [illegible]rly part of 1818 the 3 per cents. ment: our prospect became ened, and ere the expiration [illegible]ely the rise was not peace that preceded the war [illegible]gement of the had risen superior to its diffi[illegible]s country, the the æra of the so-much-applauded [illegible]rica, all consinking fund. Partly by the effect of t[illegible]ntinued low more by the general prosperity of the co[illegible] 1819 to 3 per cents. were carried in 1792 to the high[illegible]ved, of 97; a price from which they fell as soon as [illegible]an public became aware that our government had [illegible] termined to take part in the coalition against France. But as during the first two years our expences were comparatively limited, the great decline did not take place until 1796, or rather 1797, when the 3 per cents. sunk to the unexampled low rate of 47. It was then that our minister felt the necessity of altering his financial plan, of lessening loans and augmenting taxes: he came forward accordingly with the bold proposition of raising a large proportion of the supplies within the year; a course, which, alarmed as the nation was at the aggrandizement of France, obtained general concurrence, and soon received a consolidated form by the imposition of the income or property-tax.

In consequence of this decided measure, and of the splendid success of our continental allies, in

discharge of so large a sum could take place only by the substitution of one security for another; and as the new fund to be created, would in most of the years that have elapsed since the peace, have fetched an indifferent price, ministers were from time to time obliged to post[illegible] the ma-ature. In the early part of 1818, ci[illegible]1801. That event ing favourable, a new stock [illegible]hem, but the peace interest, and not reducible[illegible]ubtful to admit of any ten years, was created [illegible] of supplying the de[illegible] however, failed i[illegible]On the renewal of war in 1803, of funded prope[illegible]l from 70 to 57, and during no favourable[illegible]he general dread of invasion kept the present [illegible]ery low rate. War taxes, however, ductio[illegible]w[illegible]ffully submitted to, and in the succeed-

T[illegible]years (1805, 6, 7.), these potent auxiliaries tio[illegible]bled government to lessen the loans, and to [illegible]ise the 3 per cents. to 60 and upwards. The same cause explains their continued high price in 1808, a year of commercial distress, and in 1809, a season of general over-trading. Nor was it till the multiplied bankruptcies of 1810, and the heavy drain of money for the peninsular war, that the fall became considerable. Large loans were now unavoidable, and stocks were lowered not only in 1812, a year of chequered fortune to our arms, but during part of 1813, when our prospects were equally cheering in Spain and Germany. At last the balance inclined to the favourable side: the victory of Leipsic and the evident superiority of the allies outweighed the demands of our Treasury, enormous as they had become.

From 1815 *to* 1822. — In the early part of 1815 the 3 per cents. were fluctuating from 62 to 65, when the return of Bonaparte from Elba, produced a very sudden reduction. In the contest

and which has since been repeatedly declared by them to have been productive of great public injury. To this opinion, though expressed deliberately, and long after the first impression of disappointment, we can by no means subscribe. Had the burden been inevitable, and had the question been merely a commutation of one payment for another, a property-tax might have been somewhat less oppressive than several of the existing imposts; but, under all the circumstances of the case, the rejection of the bill was, we are satisfied, productive of public good. Men in office are often very imperfectly apprized of the circumstances, not merely of individuals, but of numerous portions of the community. In the session immediately preceding, they had, by the magnitude of their grants, shown themselves unapprized of the distressing change which was then beginning to take place; of the extent of the loss attendant on the transition from war to peace; of the approaching fall of prices, the increasing pressure of taxation. To all this they were awakened by the loss of the bill, and taught, for the first time in twenty years, the necessity of negativing the importunate demands to which the holders of office are perpetually exposed. Besides, a property-tax, had it been imposed in 1816, would have been productive, distressing as was the time that followed, of loud complaint, perhaps of serious and general injury.

The next financial measure of importance took place in 1819, when ministers having called on parliament to give efficiency to the sinking fund, succeeded in a measure little expected in the midst of peace, the imposition of new taxes to the amount of 3,000,000*l*. These were imposed chiefly

on malt, spirits, and tobacco, and paid with great reluctance during the two years of doubt and embarrassment which ensued. Of late, however, brighter prospects have opened, and a diminution of expenditure has been promoted by a concurrence of causes, — tranquillity among our lower orders; the reduction of the 5 per cents.; and a transfer, or expected transfer, of a portion of the burden of our half-pay and pension list to the next generation. The consequence has been a reduction of our taxes in the last and present year, to the amount of nearly 4,000,000*l.*

The Sinking Fund.

The idea of a Sinking Fund is of old date, having been conceived more than a century ago, by Sir R. Walpole, the only public man of his age who appears to have been conversant with finance. The original plan was simple, the fund being formed in the first instance of a small sum of surplus revenue, and augmented progressively by the interest of such part of the debt as was paid off by its operation. Here was no display of the wonders of compound interest, but the long peace that ensued favoured the reduction of debt, and the fund, though small, was progressively increasing. Such continued the course of circumstances until 1733, when the troubled aspect of the Continent, and the difficulty of imposing new taxes, necessitated an interference with some disposable resource, and the sinking fund was encroached on. A precedent once given, trespasses became frequent, and this fund, though never abolished, proved of so slender operation, that in the course of half a century, it had not discharged above 15,000,000*l.* of

our debt. At last, in 1786, the scheme was revived with augmented energy, aided on the one hand by Dr. Price's flattering calculations of the effect of compound interest, on the other by Mr. Pitt's declared determination to consider its funds inviolable. The new plan was in substance the same as that of Sir R. Walpole, but the reserve was invested with many additional safeguards, being committed to a special board of commissioners who were independent, not merely of the Treasury, but in some respects of Parliament.

It was at this time that the public first became familiar with the term "Consolidated Fund," which meant, however, nothing more than our taxes, formed into an aggregate, out of which government pledged itself, whatever might be the proportion of our revenue to our expenditure, to pay a million annually to the new commissioners. This fund of a million was strengthened by two other sources of supply; the amount of government annuities as they successively expired, and the interest of such stock as was annually redeemed. The measure now brought into operation, paid off the following sums:

In 1787	£ 662,750 Stock.	In 1790	£ 1,558,850 Stock.
1788	1,456,900	1791	1,587,500
1789	1,506,350	1792	1,507,100

These sums, small as they were, could hardly be considered *bonâ fide* reductions of the public debt, since the Spanish armament in 1790 necessitated an addition to our burdens of nearly half their amount. In an arithmetical sense, accordingly, the effect was inconsiderable; in a political sense it was otherwise, as it excited the expectation of great

subsequent reductions. To strengthen this expectation, and to remove an apprehension that a renewal of war, by necessitating new loans, might cast these annual liquidations into the shade, Mr. Pitt obtained in 1792, an act of parliament declaring that all future loans should carry in themselves the means of their progressive extinction, ministers, on contracting a loan, being pledged to "provide taxes, not only for the interest but for an addition to the sinking fund." This provision, whether at bottom, judicious or not, was very favourably received by the public, and had, in concurrence with the commercial prosperity of the year, the effect of producing a very considerable rise in the funds.

But this flattering prospect was forthwith overcast by our participation in the war against France, and the unparalleled magnitude of our expence. The sinking fund was maintained and operated a large apparent reduction, but the result, in a definitive sense, was null, our debt being augmented in a far greater *ratio* by our annual loans. After all that we have been told of the operation of the sinking fund; after the pompous statements of hundreds of millions redeemed by it; after all the eloquent effusions in its praise by both sides of the House, the public will learn with some surprise, that since 1786, this fund has had a real operation during twelve years only, and that the *actual reduction* effected by it, has not averaged a single million a year! In this we are to be understood, as leaving the twenty-three years of war wholly out of the question, and confining our calculation to the six years preceding 1793, and the six years subsequent to 1815.

Compound Interest. — The surprising results ascribed in our time to compound interest will be cited by the future historian, as affording a striking example of the power of enthusiasm in the original calculator, and of the extent of credulity on the part of the public. In war, the sinking fund is supported by loans, and is it not apparent, that whatever may be the beneficial result of accumulation in the hands of the commissioners of the sinking fund, the loss to the public from the additional loans required by it must be in the same compound *ratio?* We might then add, that in all cases of taxation, where the impost has not (and it very rarely has) the effect of inducing economy in the individual, the loss is to be reckoned by compound interest, since had the money been left in the hands of the subject, the increase would have been in the compound form.

Without entering into any arithmetical statement or even pressing the argument in an abstract form, we may safely make the general assertion, that the power of the sinking fund, whatever it may have been, has arisen "not from actual payments but from its influence on the public mind;" — from its presenting a *possibility* of an ultimate repayment of the debt; — a possibility transformed into confident expectation by the ardour of the public and our natural inclination to believe what we wish.

Present State of the Sinking Fund. — Such was the state of our financial concerns until the beginning of the year, when, by the double effect of reduction of expenditure and increase of revenue, an actual surplus was produced, and the sinking fund was likely to become efficient to the extent of 4 or 5,000,000*l.* a year. We seemed now on the

eve of attaining the result so long represented as desirable by ministers; the possession of an engine for raising the price of stocks, or in other words, for reducing the rate of interest on private securities. In what manner, it may be asked, would the latter prove a consequence of the former? In France, where the interest of the public debt does not form 10 per cent. of the income arising from property, and the nature of government securities is not generally understood, the interest of money vested in land, houses, and trade, is not very materially affected by the price of the public funds. Land continues to be bought with eagerness for 3, 3½, or 4 per cent. on the purchase money, at a time when the same capital would yield above 5 per cent. in the funds. In this country the case is otherwise. Our dividends forming no less than 30 per cent. of the income arising from property, their influence is great; while, notwithstanding the preference given to land, the difference of the income derived from land or stock seldom exceeds one per cent. It follows that a reduction of the rate of interest in our funds has a direct tendency to lower the interest on private securities, and it was, doubtless, on this calculation, that the country gentlemen (see the speeches of Mr. Stuart Wortley and others during last session) consented to limit their demand for a reduction of taxes, hoping, that by the aid of the sinking fund, the interest on mortgages would be effectually reduced.

What, in a statistical sense, are the characteristics or accompaniments of a low rate of interest? It is indicative of abundant capital, and of a very advanced state of productive industry. It was this which formed the great feature in the situation of Holland during the chief part of the 17th and 18th

centuries, and enabled her government to lower her dividends in an age when France and other states borrowed at very high interest. It was this which, under Sir R. Walpole, formed the strongest proof of the revival of our financial credit, and which in 1749 enabled Mr. Pelham to effect a well-known and highly beneficial reduction. But, in none of these cases, nor in any other of which history has preserved the record, did the fall of interest arise from the operation of a sinking fund. It was the natural consequence of confirmed peace, of the diminished demand for capital, of a fall, or tendency to fall, in the rate of interest in private as well as public securities. Even in the present year, it is to the existence of these circumstances, much more than to any surplus in the revenue, that we attribute the fortunate accomplishment of that great operation, the reduction of the five per cents.

If our readers see with some surprise these deductions from the efficiency of a measure so much vaunted, they will be no less struck with the farther part of our argument; viz., that a large sinking fund, or, to describe it in the most simple terms, a large surplus revenue applied to the redemption of Stock, would be *productive of public injury*. By lowering unnaturally the rate of interest, it would send capital abroad, and operate as a fund to raise the Stocks of France or America. This result is too obvious to have escaped the observation of either the Bank directors or our ministers: in fact, the readiness with which the latter consented in the present year to relinquish their surplus revenue by remitting taxes, seems to indicate a conviction, that a rise in the value of stock, produced artificially, would be replete with injury to the public. They cannot fail to be aware, that

since the reduction of the five per cents., there remains no adequate object for interfering with the current rate of interest, or for discovering a solicitude on the part of government, to raise the value of the funds more than of land, or any other description of property. If, in commercial affairs, ministers have, during the last ten years, evinced strict impartiality, and abstained from the intervention so unfortunately exercised by their predecessors, is it likely that in finance they will follow a different course? Our debt admits of no direct reduction: our hope of relief is in that diminution of pressure which will follow the increase of our means; — the augmentation of our numbers and national income; — a result most likely to be promoted, by considering property of every kind equally entitled to the care of government.

But, if such be the conviction of our rulers, why, it may be asked, do they still cling to a name, and hold forth the sinking fund to parliament and the country, as an institution excellent in its principle and entitled to such zealous support? Partly from the maxim, so familiar to politicians, of leading men by their prejudices; partly, perhaps, from a deficient acquaintance with the backwardness of other countries, and a consequent diffidence in calculating the relative progress of our own. No speaker in parliament, whether ministerialist or oppositionist, appears to have studied the comparative prospects of England and her neighbours, in regard to national wealth, or to be sufficiently aware of the inferences they suggest.

The admissions successively made by the supporters of the sinking fund (Appendix, p. 103.) have removed part of the mystery which, by the aid of such phrases as "inviolability of deposit" and "oper-

ation of compound interest," had so long encircled it. After the committee on the public accounts promised for next year, the nominal part of the sinking fund will probably be relinquished, and the remainder described merely as a surplus revenue appropriated to the redemption of stock. As such we request our readers to consider it at present, estimating its amount less by the tone still kept up by its supporters, than by a plain comparison of our revenue with our expenditure. To enable them to do this without unravelling a long list of finance papers, we subjoin an

Estimate of our Annual Expenditure for 1822 *and* 1823.

Army, including half-pay and pensions - -	£8,000,000
Navy, including ditto - - - - -	5,500,000
Ordnance, including ditto - - - -	1,200,000
Miscellaneous - - - - - - -	1,600,000
Civil list; pensions for Civil Services; Courts of Justice; civil Government of Scotland, and some lesser heads, all charged on the Consolidated Fund - - - - - - -	2,000,000
Add for all other payments, such as those to Greenwich Hospital, the East India Company, or unforeseen charges, such as have occurred this year in Ireland - - - - -	1,700,000
Amount of expenditure distinct from the interest of the debt - - - - - - -	20,000,000
(This sum will be subject to diminution in proportion to the sale that may take place of half-pay and pensions for long annuities.)	
Interest of the public debt - - - -	30,000,000
Total -	£50,000,000

Our *bonâ fide* sinking fund can, of course, be nothing else than the surplus of our income above our expenditure, and will be one, two, three, or

more millions, according to the productiveness of the revenue, and the progress of the conversion of life interests into Long Annuities.

The next and equally important question is, whether a surplus, when found to exist, ought to be applied to the redemption of stock, or made, as in the last session, a ground for the immediate remission of taxes. We subscribe, without hesitation, to the latter, not merely for the sake of relief to the public, but on the less-understood ground of the injurious consequences of interfering with the price of stocks. Against this, however, it may be urged, that men of the most opposite views in politics have concurred in eulogising the sinking fund — that Mr. Fox was, in this respect, no less zealous than his great antagonist. Mr. Fox, it is well known, never made a study of finance, still less of political economy; his conclusions, in these as in many other respects, when well founded, owed their justness less to continued research or careful comparison, than to rectitude of feeling, to a manliness of character, which, in a question like the present, would prompt him to adopt, without much investigation that course, which should place the burden on the shoulders of ourselves, instead of our posterity. Again, Mr. Pitt, on introducing the sinking fund, was only in his twenty-seventh year, and could not, from the pressure of other avocations, have been able to study very closely the operation of a surplus revenue, applied to the purchase of stock. He was, necessarily, devoid of much of the information which we now possess: he had before him no example of a measure tending, by unnatural interference with the rate of interest, to send capital out of the country: still less could he foresee the rapid increase of our numbers, the surprising extension of our productive

industry, and the consequent motives for pursuing a system, the reverse of that which maintains a sinking fund — we mean, bearing light on the present generation, and transferring a portion of taxation to their less burdened successors.

If these remarks are at all useful in correcting popular misapprehension, we shall hope somewhat of a similar result from the following paragraphs, relating to the situation of different classes of stockholders.

Stockholders: Distinction between Permanent and Temporary Depositors. — Those of our countrymen who have travelled and paid attention to topics of this nature, must have remarked that in France, Germany, Spain, in short, in every country on the continent, except Holland, the public funds are comparatively little resorted to as a deposit for private property. The governments have not as yet acquired the confidence attached to a representative assembly, and the inhabitants are little acquainted with the security conferred on property by public register, the power of transfer, the steady observance of good faith towards the public creditor. Continental lenders require the visible, and, as they account it, solid security of land and houses. Such, a century and a half ago, was the case throughout England generally, and such, in no small degree, was the case in the provincial part of the kingdom at the beginning of the late war. The general ardour of our countrymen in the contest, their confidence in government, and the comparatively high interest then given by the Treasury, led to the deposit in that ready absorbent, of sums which would have startled the caution of our forefathers. The result of the whole is, that funded

property so insignificant in a former age, when compared to the general wealth of the kingdom, is now of a magnitude approaching to the value of our land, particularly if we estimate it not by capital, but (see p. 249.) by income.

Annuitants on our public funds, instead of being confined, as in the last age, to London, Bristol, and a few of our principal towns, are now found in every district, and in every variety of occupation. The great majority of them are permanent depositors, strangers to the manœuvres of the Stock Exchange, speculating neither on buying or selling, and attentive merely to the half-yearly receipt of their dividends. These persons consider the stocks as a fund permanently eligible for themselves and their families, confiding, on the one hand, in the good faith of parliament, and aware, on the other, of the serious drawbacks attendant on property in land and houses,—the difficulty of collecting rents, the heavy charge attendant on transfers. The funds, they are aware, involve neither delays nor lawsuits, while, with a view to bequest, they admit of an easy and direct repartition. It is in results such as these, that we recognize all the advantage of established institutions, of the steady observance of good faith on the part of government. Viewed in a national sense, they render a people capable of efforts such as those which maintained the independence of Holland against the successive attacks of Spain, England, and France:—Viewed in regard to the individual, they offer a mode of investment almost as much superior to that of the circle of private connexion, as is afforded by Saving Banks, when compared with the precarious deposits to which the lower orders were formerly accustomed to trust their petty savings.

What proportion do these persons, the permanent depositors in our funds, bear to the body of stockholders at large? Not less, we believe, than *four-fifths of the whole*, whether we look to number or property. The temporary depositors, however, few as they are, fill a more conspicuous place in the public eye: it is they who bustle on the Stock Exchange, who confer with the Chancellor of the Exchequer, and who come forward to bear a part with other capitalists in our loan contracts. But these persons consider the funds merely as a transient property, a security in which, as in Exchequer Bills or mercantile acceptances, they may vest a floating sum until the occurrence of a more eligible mode of appropriation. Their calculations as to the price of stocks go no farther than the month or the quarter which may elapse ere it suit them to withdraw their money, for the purpose, perhaps, of transferring it to the funds of the United States of America, France, or the lesser Continental powers. Merchants, it has long been said, are citizens of the world, but of all mercantile men, such is particularly the case of temporary stockholders, to whom London, Amsterdam, and Paris, present but one vast exchange. How different this from the permanent depositor who exhibits so many characteristics of the retired capitalist, of the inheritor of real property, preferring British security, even at a reduced interest, and not seeking to escape his portion of sacrifice, when satisfied that it is conducive to the general relief. These persons are much more interested in preserving than in acquiring; their object is not a rise of price for the purpose of sale, but perfect regularity in the payment of the interest.

This disposition has been strikingly exemplified in the late reduction of the five per cents., of which not a fiftieth part has been sent out of the country, notwithstanding the great temptation offered by foreign funds. And if in the three per cents. the permanent depositors do not surpass the temporary in so great a proportion, they form, even in these, beyond all comparison, the majority.

With what view, it may be asked, do we enter into this discrimination of temporary and permanent depositors? Partly because it is little understood, but more for the purpose of showing the unimportance in a national sense, of the class who come forward as the representatives of the fundholders at large. It follows, that any measures that may be taken in regard to the funds, should be adapted to the unobtrusive, we may almost say, the silent majority of stockholders. Persons circumstanced as they are, can desire no aid at the expence of the community; no addition to the market price of stock, except such as shall naturally arise from the continuance of peace, the growing abundance of capital. — An artificial prop, such as the sinking fund, they will not hesitate to forego, when apprized, that in peace, it is of injurious tendency, and ought never to be considered in any other light than as one of the ingenious schemes by which the financier, in a season of difficulty, seeks to stimulate the avidity of capitalists, and to provide for the calls of the Treasury, without an extravagant sacrifice.

After these preliminary explanations and the removal from the mind of the reader of certain popular impressions, we shall proceed with advantage to our farther propositions. In these we fortu-

nately have the support of official example, the last session of parliament having produced a considerable change in the measures of ministers. Till then, whatever might be the merits of our rulers in regard to foreign politics or commercial regulations, their financial arrangements had exhibited little that could be satisfactory to the political economist, discovering, apparently, no sufficient discrimination between a state of war and peace, in regard to the power of bearing taxes, — no adequate impression of the superiority of our prospects to those of our neighbours. The measures which they had previously adopted seemed to proceed from the suggestions of merely practical men — of men accustomed to estimate a financial proceeding by its effect on the Stock Exchange, on the mere monied interest, rather than on the productive industry of the country at large. At last was brought forward, unexpectedly, the plan for exchanging life-interests in half pay and pensions for long annuities; a plan, which, since the moment of its announcement, we have considered indicative of consequences beyond the anticipation of the public. Its temporary failure, or as we trust we may say, the delay of its success, was probably owing to the engagement being brought before the public on too extended a scale: though the annual payments were small, their duration was such as naturally to startle men not yet apprized of all the reasons which strengthen our expectation of continued peace. But whatever be the views of those who conceived this measure, or their feeling after a first disappointment, our confidence in it is unshaken, connected as it is in principle with considerations on which we build the hope of farther and extensive relief.

Difference in the Nature of our Resources since the Peace. — It was in 1797, in the fourth year of the war, that circumstances pointed out to Mr. Pitt, the necessity of a radical change in his financial plans — the substitution of war taxes for loans. The length to which the latter had been carried, exceeded the disposable funds of the monied interest; while, on the other hand, the increase of productive industry, the rise of wages, salaries, rents, all concurred to strengthen the hope of supply from taxation. Mr. Pitt seized the distinction with his usual promptitude, and erected on it a structure, the eventual magnitude of which, proved one of the wonders of the age. What concurrence of circumstances enabled him and his successors to carry taxation so far? During the war, our capital and labour had ample employment: the competition from abroad on the part of foreigners, or what might have proved far more formidable, our emigrating countrymen, was wholly out of the question. The transfer of English capital to the continent was prevented, as well by a dread of lawless conduct on the part of the French government, as by the profits realized at home. Since the peace, circumstances are entirely altered; the competition of foreigners is to be dreaded; capital has been placed in foreign funds, and emigration, had not the price of provisions fallen among us, might have been carried to a ruinous length. The profit of stock, the wages of the lower classes, the emoluments of the higher, all incomes, in short, except those of the fixed annuitant, are, and have long been at a low rate; pointing as much to the necessity of reducing taxation in peace, as our situation during war indicated the practicability of its increase.

Plan pursued by M. Necker. — The financial concerns of France, have been, in general, ill conducted, and taxation has, time immemorial, been a subject of complaint among a people whose national character is far from querulous. This was more particularly the case in the latter years of Louis XV., after winding up the arrears of the inglorious war concluded in 1763. The 18,000,000*l.* constituting, at that time, the clear produce of the taxes of France, were levied in so awkward and circuitous a mode as to cost 4 or 5,000,000*l.* in the collection, and a sum perhaps equally large in the injury arising from the obstructions which it caused to the free course of industry. Different provinces in France were subject to different imposts; the frontier lines were discriminated from each other by custom-houses like the boundaries of distinct kingdoms; the transit of merchandize was taxed; the *douaniers* or custom-house officers, multiplied beyond all due proportion. At that time, as at present, the taxes on consumption were comparatively small, and a great part of the revenue arose from a land tax similar in its nature, but more unequal in its collection than the present *Foncier*.

M. Necker, the first real financier whom France had seen for a century, received his official appointment in 1776, and had hardly begun to introduce order into this chaotic mass, when, in 1778, the course of circumstances caused the French court to depart from its pacific policy. The humane character of Louis XVI. and the necessity of continued economy, were strong arguments for the preservation of peace, but the cause of the American colonists, when opposed to England, could not be otherwise than popular while the French

had fresh in recollection, a war in which we had struck such fatal blows at their navy, and deprived them of so many Trans-Atlantic possessions. Louis and his ministers were thus obliged to yield to the public voice; fleets were to be equipped, and considerable expence to be incurred. M. Necker, aware that at that time the imposition of fresh taxes would be wholly unadvisable, but that eventually the resources of France would be more than equal to her burdens, conceived the plan of meeting the new demands by annual loans, for the interest of which, he made provision, not by taxes, but by the abolition and reduction of pensions, and of many unnecessary appendages of the court. At that time, as at present, France exhibited few sinecures of the first magnitude, but an endless list of unmerited grants, of supernumerary offices, of unauthorized appropriations of the public money. The confidence inspired by the personal respectability of the minister, and the prospect of great improvements in the fiscal administration of France, induced the monied interest on the continent to subscribe to the loans of M. Necker, without the guarantee of a parliament, or the allotment of specific funds for the payment of the interest. In this manner, he succeeded (Hennet on French Finance) in borrowing 15,000,000*l.* sterling, in three years, at moderate interest, and would, doubtless, have conducted the war to its close, without a single impost, had not circumstances led to his abrupt retirement from office in 1781.

Does this example supply any inference applicable to our present situation? If the amount borrowed by M. Necker, appear small, it was far from small when we consider the limited resources

of France. Then, as at present, her towns were neither numerous nor large: the majority of her inhabitants were scattered over rural districts; her manufactures were adequate only to home consumption; the increase of her population was slow. How different the present state and prospect of productive industry in this country, possessed as it is, of rich mines, extensive water communication, abundant capital,—the whole with a population rapid in its increase, and formed to habits of business. With such auxiliaries, is it going too far, to ask, whether we are not justified in looking to the future with the confidence exemplified by M. Necker, especially as in one material point we may reason with a confidence greater than he could feel, — we mean the prospect of continued peace.

Comparative Taxation of Great Britain and France.

GREAT BRITAIN AND IRELAND.

Computed for 1823, *after deducting the taxes on salt, leather, and malt, lately reduced.*

Gross amount, inclusive of the expence of collection.

Assessed taxes - - -	£6,500,000
Customs - - - -	11,000,000
Excise - - - -	27,000,000
Stamps - - - -	6,800,000
Land-tax - - - -	1,200,000
Post-office (nett amount) - -	1,400,000
Crown lands - - -	200,000
All other government receipts - -	1,900,000
	56,000,000
Tithe - - - - -	4,000,000
Poor-rate, after deducting the portion paid (see p. 195.) in lieu of wages -	5,000,000
Total -	65,000,000

FRANCE.

Gross Amount, inclusive of Expence of Collection.

	Sterling.
Foncier, or land and house-tax - -	£9,000,000
Mobilier, a farther house-tax; also the window tax, and the *patentes* or tax on professions -	3,000,000
Customs - - - - -	2,300,000
Excise; viz. duties on salt, tobacco, snuff, wine, spirits, beer, and some lesser articles, the whole comprised under the name of *droits reunis* - - - - -	9,000,000
Stamps; viz. *enregistrement, domaine et timbre*	6,000,000
Post-Office (nett receipt) - - -	600,000
Sale of wood from the public forests - -	800,000
All other receipts and contingencies, including a large municipal revenue collected from *octrois*, and other charges borne by the inhabitants of towns - - - -	6,300,000
	£37,000,000
Equal, after adding twenty per cent. for the greater value of money to - - -	45,000,000

In this table of comparative taxation, the chief distinctive feature is the magnitude of our excise, customs, and assessed taxes, the proportion of which to the same taxes in France is as 45 to 20. Nothing can show more clearly the greater ability to pay on the part of a commercial community, of which so large a proportion are resident in towns, a circumstance, conducive equally to ease of collection on the part of government, and to free consumption on that of the public. Hence, the magnitude of our receipts on spirits, beer, tea, sugar, wine, fruit; on certain articles of dress, as silk; or on that which more immediately marks

a mercantile society, postage. Nothing, at the same time, lessens more the weight of an argument, frequently brought against our taxation, but the aid of which we disclaim, viz. that when computed at so much a head, it amounts to more than twice the average capitation of our neighbours.

Corn Laws. — These indirect imposts have in particular years formed an addition to our burdens greatly beyond the amount paid by the landed interest for tithe and poor-rate: at present, however, the case is so different, that in our table we have avoided noticing their operation, and have preferred introducing the amount of the charges which they were intended to counterbalance. In France there exist restrictions on the import of foreign corn, but they are of little consequence in a country where the growth is, in general, fully equal to the consumption, particularly as the import becomes free as soon as the average of wheat of home growth approaches to 50*s.* the Winchester quarter.

The object of the preceding tables is to draw with distinctness and precision, that which is so often attempted in a loose and exaggerating manner — the line of comparison between this and other countries, our competitors in the sale of manufactures. Without subscribing to the opinion of the Agricultural Committee of 1821, (Report, p. 22.), that the taxation of other countries compared to their resources is as high as our own, our statement will probably be instrumental in modifying a very general impression of an opposite

nature; viz. that our burdens exceed those of our neighbours, to a degree which, in a manner, baffles all hope of approaching to an equality. Far from joining in this discouraging view of our situation, we are inclined to augur very favourable results from a perseverance in the course of reduction lately adopted by ministers.

Reduction of Taxation. — To draw the line of distinction between the necessaries and superfluities of life, between the greater or less injury arising from taxation to productive labour, is a task of great nicety. There can, it is true, be little doubt that imposts such as those on leather, candles, green glass, bricks, tiles, soap, starch, coal, are direct burdens on industry; charges which must cause either an addition to wages or a deduction from the profits of stock. On the other hand, it may happen that imposts, the least exceptionable in the view of individuals, may, on the ground of fiscal calculation, have the earliest claim to diminution. Thus, wine, spirituous liquors, and lace, appear fair objects of high taxation, but if the duty be so great as to hold forth to smugglers a premium such as enables them to prosecute their business in spite of all the vigilance of our cruisers, an abatement of duty may be found an indispensable alternative. The question of priority in the claim for reduction must thus be considered as undecided, and left to the determination of government; but as general reasoning is but half intelligible when unaccompanied by a specific statement, we venture, chiefly for the sake of illustration, to lay before our readers the following selection.

Taxes which bear, more or less directly, on the comforts of life, or interfere more or less directly with the extension of productive industry.

Assessed Taxes	£6,500,000	Cotton Wool	500,000
Malt and Beer since the late reduction	6,500,000	Paper	400,000
Stamps	6,500,000	Glass	400,000
Sugar	3,000,000	Candles	300,000
Tea	3,000,000	Bricks and Tiles	300,000
Timber	1,000,000	Stone and Slate carried coastways	35,000
Coals carried coastways	900,000	Auction Duties	240,000
Soap	900,000	Hemp	200,000
		Starch	50,000

The whole forming a sum of nearly 31,000,000*l.* on which we shall suppose, either by a repeal of specific taxes, or by an abatement of 20 per cent. on the whole, a reduction of	£6,200,000
This added to reductions already made, viz. in the horse-tax, malt, salt, leather, and tonnage,	3,800,000
Would form a total of	10,000,000
But as an increase of consumption may be anticipated, as well from the reduction of prices, as from our growing population, we calculate the absolute loss or diminution of revenue at less than	8,000,000
Of which already provided for by the reduction of the five per cents., and of the half-pay and pension list	4,000,000
Leaving to be farther provided for, by annual loan, or otherwise	4,000,000

How far, in our present situation and prospects, would it be expedient to follow the example of M. Necker, and to substitute an annual loan of 4,000,000*l.* for a corresponding reduction of taxation? This inquiry may be said to form the definitive object of our labours, and involves considerations of great interest.

Our Prospect of increased Resources. — We have already expressed (p. 244.) a belief that if we

can so conduct our affairs as to get over a few years of difficulty, our financial prospects would brighten beyond those of any other country. This opinion may require explanation, since, in the belief of some of our countrymen, we have arrived at that point beyond which we can hardly expect to carry either our numbers or our wealth. Their apprehension, however, will be found to require no lengthened refutation, and is noticed here chiefly to satisfy those persons, necessarily numerous in a commercial country, who, immersed in their respective occupations, have little means of generalizing or of reasoning from the past to the future. The fact is, that our improvements, whether in agriculture, manufacture, or navigation, are at present no more arrived at a limit, no more threatened with obstacles to their farther progress, than they were a century ago. A negative impression of this nature was general thirty years since, yet no age has been so fertile in discovery, in invention, in increase of productive power; and happily no country possesses, either in its physical or moral resources, greater means of continuing the career of advancement. If during the war the extension of our productive industry was great, how much more likely is it to be so in peace, when the capital and labour of which so large a portion was directed to military purposes, are bestowed on objects of permanent utility. The two great anomalies of our inland situation, poor-rate and tithe, can hardly fail to yield to the intelligence of the age; and their removal would go far towards healing the wounds of the suffering portion of the community.

To bring our calculation to a point, — what annual sum may we consider as likely to be added to

our national revenue, in a season of peace? This it is no easy matter to reduce to a specific form, but after establishing (p. 227.), the intimate connexion between population and wealth, we may, we trust, on very safe grounds, assume the increase of numbers in England and Scotland, (leaving Ireland, at least the cottagers of Ireland, out of the question), as the *ratio* of the increase of our taxable income. Such certainly may be taken for granted, when the reduction of taxation, commenced in the present year, shall have been carried somewhat farther, removing the chief part of the extra pressure on our national industry, and placing it, in regard to public burdens more nearly on a level with that of our continental competitors.*

We proceed to exhibit the result in the form of arithmetical computation. First as to our numbers: — instead of requiring our readers to assent to the probability of an addition annually augmenting, we shall confine ourselves to that which is past and ascertained; viz. the individuals born in

* To give the reader a complete view of our fiscal burdens, we subjoin the following, which are left out of the text, as

Taxes which appear to interfere less with our productive industry.

Post-office	£1,100,000	Printed goods (home manufacture)	£570,000
Foreign spirits, chiefly brandy	2,300,000	Foreign linens	80,000
British spirits	3,000,000	Foreign butter and cheese	100,000
Licences for publicans, &c.	700,000	Tallow	100,000
Tobacco and snuff (Excise)	2,400,000	Raisins and other fruits	400,000
Tobacco (Customs)	600,000	Barilla and other drugs	150,000
Coffee and cocoa	300,000	Pepper	150,000
Rum	200,000	Skins and furs	50,000
Silk, raw and thrown	500,000	Mahogany	50,000
East India piece goods	100,000	Various other duties	3,000,000

the early part of the century (1802, 3, 4.), who are now entering, year after year, on the age of productive labour. Then as to the fruits of their labour, represented in the form of money, we have already (Appendix, p. 76.) calculated the annual addition to our national income from that source at 3,000,000*l.*, and as our taxation, even on a reduced scale, will exceed 20 per cent. on our income, the consequent addition to our revenue is above 600,000*l.* But here also we shall make a large abatement, and call the addition in question only 400,000*l.*

Computation of the Increase of National Income from augmented Population, assuming such Increase at £400,000 a year.

Years.	Annual Increase of the Produce of Taxes.	Years.	Annual Increase of the Produce of Taxes.
1823	£ 400,000	1837	£6,000,000
1824	800,000	1838	6,400,000
1825	1,200,000	1839	6,800,000
1826	1,600,000	1840	7,200,000
1827	2,000,000	1841	7,600,000
1828	2,400,000	1842	8,000,000
1829	2,800,000	1843	8,400,000
1830	3,200,000	1844	8,800,000
1831	3,600,000	1845	9,200,000
1832	4,000,000	1846	9,600,000
1833	4,400,000	1847	10,000,000
1834	4,800,000	1848	10,400,000
1835	5,200,000	1849	10,800,000
1836	5,600,000	1850	11,200,000

This increase supposes neither new taxes or improved circumstances on the part of those who pay them: if the latter merely escape deterioration, the increase of numbers, the acquisition of the additional labourers in the productive field, will, by the augmented consumption of taxed articles, make the computed addition to the revenue.

If it be accounted somewhat confident to anticipate so regular an increase from the mere augmentation of our numbers, we shall call in an auxiliary of another kind, — the effect of diminishing expenditure. Economy is evidently the wish of ministers, and the rising value of money bids fair to enable them to carry reduction considerably farther, without injury to the individuals reduced. What is, in this respect, the effect of the late repeal of 4,000,000*l.* of taxes? To lower prices; to bring money more nearly to the value it had in 1792; to render 95*l.* in the present year equivalent to 100*l.* two years ago. Much, it must be allowed, remains to be done ere the long list of charges, rent, wages, professional attendance, &c., which constitute domestic expenditure, can be brought to their due level, or before persons, either of high or of middle rank, in the receipt of fixed incomes, can be made to feel what is due to the suffering part of the community: but the course of circumstances cannot be resisted, and a continuance of peace must be followed by a diminution of *money income* in almost every station, whether public or private.

Probability of continued Peace. — It will be in the recollection of our readers, that on 29th April last Lord Londonderry dwelt strongly on the improbability of our being again called on to bear a part in war, on a scale at all similar to that of our late contest. Had the reserve of office permitted his lordship to express himself at large, he might, we believe, have given the most *conclusive* arguments for this opinion, avowing that the magnitude of our loss was unperceived at the time it was incurred; that ministers, had they comprehended its extent, would have followed a much more cautious

course, and that no consideration should again prompt them to the once-popular system of vigour. Adverting to the late war, we find that never did a contest close with more success in its main objects — the change of government in France, and prospect of permanent tranquillity in Europe; while, as to territorial acquisitions, it rested with us to retain or give back whatever suited our policy. Could we imagine circumstances more calculated to heal the wounds of protracted warfare, or to prevent that distress in which we have, notwithstanding, been so deeply involved. After such dear-bought experience, is it probable that our government will be easily led to act an aggressive part; or is not more likely, that the creed of our rulers, will, in future, be similar to that of our cabinet, when guided by Sir R. Walpole, — to that which Holland has for ages been anxious to exemplify?

How far is this pacific prospect confirmed by the situation of foreign powers? The United States of America, passed in February, 1821, an Act for reducing to one half, an army which already was far from numerous; and the building of ships of war, prosecuted only in compliance with a momentary enthusiasm, is now also relaxed. Next, as to our great European rival, France is no longer to us the France of Louis XIV. or of Bonaparte: not only is her national power comparatively very different, but the springs of court intrigue, the hazard of secret influence on the executive branch, are checked, as in this country, by the freedom of parliamentary discussion. If it be urged, however, that the nation, though inclined to peace, might be misled by some ambitious ruler, and that in the varying scene of European politics, there might arise contingencies calculated to draw France into

a war, let it be remembered, that her internal situation affords the strongest motives for continued peace. Her population is in a more divided state, the preservation of her present government less assured than was the case in England a century ago, when, the Hanoverian family being recently settled on the throne, it required a steady adherence to pacific policy to prevent a rupture, of which the result might have been, that the regal prize would have been fought for on British ground.

Causes of War. — On taking a retrospect of our history, we shall find that several of the most popular as well as most substantial grounds of war, have ceased to exist. This country began to take an active part in continental politics nearly a century and a half ago, a time when France was so preponderant, that during the reigns of William and Anne, continued exertion was necessary to preserve the independence of Europe. The wars of 1740 and 1756 owed their origin chiefly to the contending interests of Austria and Prussia. If these no longer furnish a probable ground of war, still is it less likely that we shall be involved in any contest for colonies such as that of 1775, or in an attempt to regulate the government of our neighbours such as that which called Europe to arms in 1793. Those views in politics, that conviction of the barren nature of military trophies, of the substantial fruits of peace, which were so long confined to the philosophic reader of history, have at last reached our cabinet, and have influenced it since 1812, to a degree greater than is generally known. The restrictive laws so long connected with our colonial system, have now ceased to fascinate our rulers, and will soon cease to fascinate our mer-

chants. Our Board of trade is engaged in expunging from our commercial code, the acts most offensive to foreigners: it no longer listens to schemes of monopoly, or seeks to found our commercial prosperity otherwise than in concurrence with that of our neighbours. The discovery of the real causes of national wealth, has shown the folly of wasting lives and treasure for those colonial possessions, which, during last century, in the reign of the mercantile theory, were accounted the chief sources of commercial prosperity. It is now above forty years since the United States of America were separated from us, and since their situation has afforded a proof, that the benefit of mercantile intercourse may be retained in all its extent, without the care of governing or the expence of defending these once-regretted provinces. Mexico, Peru, Chili, Brazil, the regions so much coveted by our forefathers, are now open to every flag, and never likely again to become, on commercial grounds at least, a cause of war.

Is it necessary to add arguments to show the fallacy of expecting from war the gratification of either political or commercial ambition? If we look to France, we find her, after long considering herself the mistress of the continent, brought back to her ancient limits: if we look at home, we find our countrymen, after believing that our naval superiority, our conquests in the east and west, had brought us unparalleled wealth, have made the mortifying discovery that our burdens far exceed our acquisitions, and that the only substantial addition to our resources, (augmentation of numbers,) has had little or no connexion with a state of hostility. Frederic II. of Prussia afforded perhaps the most striking example of success arising from war

in the course of the 18th century, having acquired by it, in the first instance, Silesia, and eventually part of Poland: yet whoever will calculate, on the one hand, the amount of his sacrifices, on the other, the natural progress of population and wealth during so long a period as his reign (forty-five years), will find that the increase of his power would have been fully equal, had he confined himself to the plain and direct course of remaining in peace and improving his hereditary dominions.

To follow up such a course, to surmount our financial difficulties, and to heal the wounds of Ireland, are, doubtless, the objects of our government. When these grand points shall be attained, the magnitude of our resources will be so evident as to dispel all apprehension of attack, not only on this country, but on the independence of the Netherlands, the maintenance of which seems now to form the only sufficient ground for our interfering in a continental contest.

How far is Taxation a Cause of Distress?—The primary cause of our difficulties since the peace was, doubtless, as explained in our third chapter, the magnitude of the transition, the suspension of government expenditure, and the consequent over-stock of hands. That such would have been severely felt under a taxation as slight as that of Switzerland or the United States of America, admits of no doubt; but it never would have reached such an extent, or continued until the eighth year of peace, had not our public burdens, and consequently the expence of living, been higher than among our neighbours. Emigration and the export of capital would, in that case, have been comparatively inconsiderable; and, in both respects,

additional means of promoting productive industry would have been retained at home.

Having no wish to press our arguments to an extreme, we disclaim without hesitation the aid of certain popular notions, such as that "a taxed commodity after passing through three or four different hands, is enhanced by 20 or 30 per cent. charged by the dealers for their advance on the tax." We know too well the slender profit of either wholesale or retail business, to give credit to such loose assertions; a dealer is in general satisfied with a charge of 2 or 3 per cent. on his advance, so that this argument, though not undeserving of attention, has no claim to a prominent rank in the objections to taxation. These will be found sufficiently serious without the aid of exaggeration: our high duties tend, doubtless, to raise our prices above the currency of our neighbours, and we have the sanction of Dr. Smith for saying that "a rise in the money price of commodities, *when peculiar to a country*, tends to discourage more or less every department of industry carried on within it, enabling other nations to undersell it, not only in the foreign but in the home market."

To this opinion we subscribe in the words of its author, after all the qualifications of it which we have heard from practical men, or read in the publications of the political economists of the day. We have to add to it, that the unseen injury arising from taxation, its interference with the free course of manufacture, is (Evidence of Distillers before the Sugar Distillery Committee, in 1808,) much greater than is suspected by the public. To take an illustration familiar to those who transact business as underwriters, and who know the extent of the

reduction produced by peace in the terms of insurance. To a war premium of 6, 8, or 10 per cent., a policy duty of $\frac{1}{4}$ th per cent. on the sum insured formed an addition of little consequence, but when premiums were lowered to 2 or 3 per cent., it was found a heavy proportional charge, and afforded an inducement to foreign merchants to effect their insurances at Hamburgh and other ports, where the duty is comparatively light. The consequence is, that the reduction of our policy duty in the present year, has in some degree, come too late.

Ship-owning, which was often a losing investment of capital during the war, has been doubly so since the peace, and can hardly prove otherwise, until by reducing the attendant charges, we shall enable our builders, our rope-makers, and others, to meet foreign competitors on equal terms. Navigation does not, like home trade, admit of controul by interior regulation: its scene of competition is the ocean, and success in it can be attained only by a clear superiority over foreigners. Countries possessing forests of ship-timber in the vicinity of a harbour or navigable river, enjoy already one great advantage; to aggravate its effect on our building and shipping interest by the retention of heavy duties, is to place them on a footing of inferiority feebly counterpoised by our custom-house regulations and our tonnage duty on foreign vessels. A reduction of the duty on foreign timber and hemp, seem indispensable preliminaries to our successful competition with our Baltic neighbours, — a competition which would not then be hopeless, when we consider the superiority of our workmen, and the great fall both in the price of their maintenance,

and in the conveyance of foreign produce to our shores.

It would be easy to multiply examples of pressure from taxation, but there can, we believe, be little doubt on two important points: "that taxation is felt by the public, more now than during the war; and in England, more than on the Continent." After all the additional means conferred by our navigation, our extent of town-population, and our superior agriculture, the payment of 67,000,000*l.* or even 65,000,000*l.* a year, must bear harder on the national income of this country than 45,000,000*l.* (see p. 318. of this chapter) on that of France. On the Continent, the evils of transition have not been altogether so serious; the failures among merchants and manufacturers have been less numerous; while among agriculturists the decline of price, much as it is complained of, has not, when compared to ours, exceeded the proportion of 50 to 70 per cent.

How far would a Reduction of Taxation be productive of Relief? — We have supposed in the preceding pages, a reduction of taxes which, joined to the remission already voted, would form a total abatement of 10,000,000*l.* Were that abatement directed *in toto* to some specific branches of industry, such as manufactures connected with the use of articles like leather, coals, timber, there seems little doubt that, though productive at first of a derangement of work, the stock of employment eventually created would supply that which in our years of distress was our principal *desideratum*, — a sufficient demand for labour. We shall suppose, however, that our public men are not agreed in regard to the farther taxes to be

repealed, and that the 6,000,000*l.* of which we contemplate the reduction, must be abated in the form of a per centage on the revenue at large. To avoid complexity we shall suppose this the case with the whole reduction of 10,000,000*l.*, and proceed to ask, what would be the result of such abatement to the individual? A diminution of charge to the extent of 5 per cent. on his expenditure, — an object of no great consequence, it is true, to the land-holder, the retired capitalist, or any person out of business; but one which in the hands of the productive labourer, the merchant, the manufacturer, or the farmer, would form an engine of great efficiency. The saving, (see our table, p. 249.) would be felt on the total disburse — on the wages of workmen and the salaries of assistants, as well as on that proportion of income which is more strictly a return for the personal exertion of the master.

Such would be the effect of reduced taxes on the individual: what, in the next place, would be their operation on the community at large? An abatement of 5 per cent. on our taxable income, is equivalent (see p. 246., and Appendix, p. 80.) to 3 or 4 per cent. on our annual produce; that is, that our woollens, our cottons, our hardware, might in such a case be sent to foreign markets 3 or 4 per cent. cheaper than at present. To those who have a due sense of the smallness of mercantile profit, (Speech of Mr. Baring, 15th July last,) even this limited reduction will appear of great importance, enabling us to compete with our foreign rivals, the manufacturers of France, Germany, and the Netherlands. To these, since the inauspicious æra of our Orders in Council, we must add the inhabitants of the Northern States

of the American Union, the return of the State of New York for 1821, exhibiting a value of 8 or 10,000,000*l.* sterling, (chiefly woollens and cottons,) manufactured among a population of little more than a million.

But our national industry is, it may be said, already amply productive, whether in agriculture or manufacture; — the evil lies in a want, not of produce, but of vent. In a season of peace, it may be added, the grand source of apprehension is over-stock, and our neighbours, whether Germans or Belgians, have long complained of the free admission of our fabrics. This, however, proves little more than that in certain branches foreigners are unable to compete with us, and that our rivalship, if continued, may, induce them to give a different direction to a part of their labour and capital, manufacturing commodities of which we should probably become the purchasers, in consequence of changes that would follow the increased freedom of trade.

Add to this, that it by no means follows that the addition to our manufactures from reduced taxation, would be large, since the quantity prepared, either by the loom or the plough, depends mainly on the "aggregate number of workmen in the country," a point in which, of course, no legislative provision can effect a change of consequence. It is a remarkable fact, that the quantity prepared for a losing market is nearly as large as for a profitable one; so great is the power of habit, the necessity of following up an established trade or profession. This result, so different from the inferences of some political economists, is, doubtless, promoted by our poor-law system: it was exemplified on the part of our manufacturers amid

the continued distresses of 1819 and 1820; and experiences at present a confirmation in the case of our farmers.

Another fact of a more consoling character is, that the surcharge of hands is less great than is commonly supposed. To add a twentieth or even a thirtieth to the existing demand for labour, in other words to find employment for one hundred thousand individuals of the lower order, would, we believe, prove a change completely satisfactory. In harvest we have an opportunity of observing, that the supply of labourers is not always too great, and since the beginning of the present year, there has existed no over-stock but in agriculture.

In the first years of peace, the distress of the lower orders, arose from wages being insufficient for their maintenance: since the fall of provisions our object should be, not to raise wages, but to relieve the poor-rate. In the higher departments of productive labour, the source of complaint will be found to lie in prices disproportioned to the cost of production: the price of *55s.* or *60s.* for wheat, insufficient as it appears at present, was ample at the peace of Amiens, and will again be adequate, if not ample, whenever wages and the charges of cultivation generally, shall have been lowered in proportion to the reduction in the maintenance of the labourer or mechanic. It is in fact a great consolation, that the more we examine our situation, the more we find ourselves enabled to trace its evils to transition, derangement and other causes of a temporary character. A season of peace will not always be a season of stagnation, and an increase of population, producing consumers as well as producers, has no tendency to over-stock. The order of Providence

evidently is, that the industrious should be at no loss for employment. The interruptions to it have arisen chiefly from causes of our own creation; and its renewal is less dependent than is commonly supposed on an extension of foreign trade. The old adage, that "England is England's best cus-"tomer," will be exemplified with ample effect whenever the course of circumstances shall restore things to their level, and whenever the unnatural effect of war, taxation, and corn-laws, shall be removed.

Objections answered. — Various arguments may, we are aware, be advanced as well by men in office as others, against any considerable change in our fiscal arrangements. Taxes repealed or modified, cannot, they will say, be re-imposed. Charges that have have interwoven themselves with our habits ought not to be abruptly removed. To this we answer that several of our taxes are such as ought never to have been imposed, indicating, as they do, the rudest state of financial science, and betraying an almost total unconsciousness of the check given by these burdens to productive industry. As to the question of re-imposition, we have, happily, good ground for dismissing the apprehension of retracing our steps, but, supposing that such were to become, in some degree necessary, the new taxes would be of an altogether different nature. A property-tax to the extent of 2½, perhaps 5 per cent., would, doubtless, receive the sanction of parliament, in preference to a revival of such duties as those on malt, salt, leather, coals, or tonnage.

Next, as to the evils apprehended from transition, — from that state of change, which, to a nation as to an individual, is always unprofitable and fre-

quently pernicious. Evils of that nature, would, even on a diminution of our burdens, occur in a variety of modes not anticipated by the public, but their duration would necessarily be temporary, and their amount might be lessened by various arrangements, such, perhaps, as making our future reductions consist less in an absolute repeal of a few particular taxes than in a modification, a partial diminution of a number; — a course which might, besides, have the effect of relieving government from much importunate solicitation.

Such are the arguments for a reduction of taxation. Inconsiderable as the proposed abatement may appear, no one can say how materially our productive industry may be promoted by it: but were immediate relief not to prove the consequence, we should have at least the satisfaction of entering on that path, which must eventually lead to a favourable issue. No one expects immediate advantage from the modification made in our navigation and corn laws in the present session: it can form only an approximation to a better system, in like manner as a diminution of taxes would bring us more nearly to a level with the rest of the civilized world, giving our manufacturers a fair chance in the field of competition, relieving our annuitants from the necessity of emigrating, and placing us nearer to that equality of prices which would admit of unrestricted trade, and establish our prosperity on a solid basis.

Expediency of an Annual Loan in lieu of Taxes.

State of the Monied Interest. — Amidst all the losses and complaints of late years, the monied in-

terest, that mixed body of bankers, retired merchants and capitalists, have escaped the general distress. Their situation has exempted them from the fluctuations experienced by many other classes; by our agriculturists, our manufacturers, our exporters of merchandize to the West Indies and America. The monied interest comprises a number of old establishments, who conduct their business more conformably to rule and calculation than several other portions of the mercantile community: they are strangers to the hazard of credit, and the still greater hazard of distant markets. The cloud, which, from the depreciation of our currency, overhung them at the close of the war, has disappeared, and even the late reduction of interest may be considered as innoxious to them, their incomes having gained in value what they have lost in amount. The fact is, that they have at command a fund of ready money, which has caused the rise in our stocks, so idly ascribed to a sinking fund, and which has also afforded large supplies to the exchequers of our neighbours.

Transmission of Capital to Foreign Countries. — The interest of money is always highest in the least advanced communities, and capital has consequently a tendency to move thither, not rapidly, we allow, but progressively: it is thus that at present it begins to be withdrawn from England, exactly as in the 17th and 18th centuries it was withdrawn from Holland. The present year has been remarkable for the extent of such transfers, and by writers who do not scruple to take an extra latitude in a popular argument, might be made the ground of a vehement appeal in support of the plan we now propose, of exchanging a part of our taxation for

an annual loan. "Why," it might be said, "should we not apply to our own relief that periodical surplus of capital which has for some years been transferred to foreigners." To this the advocate of commercial freedom might answer, "You are not at liberty to exercise any interference or to divert capital from the direction which it naturally takes: its transfer to foreign countries may be, for aught you know, the most profitable means of employing it in a national as in an individual sense. The capitalist who, living in England, draws a large income from the French or American funds, is enabled to make a larger expenditure, to be a more liberal contributor to the productive industry of his own country."

Between these contending opinions what course ought we to hold? The argument of the political economist would be excellent against any legal restraint which might exist, in the shape of a tax or otherwise, on the transmission of capital abroad; a restraint which would be quite as absurd as the lately repealed prohibition to export specie. To this we may add, that had all the countries of the civilized world one common interest, were the doctrine of freedom of trade generally adopted, we should be inclined to look with a favourable eye on the most unreserved transmission of capital. But at present we are obliged to reason in a more narrow circle, and to calculate what peculiar aid we can oppose to peculiar pressure. Our situation is unfortunately anomalous; our taxation higher than that of any other country; and if, as we have reason to apprehend, its magnitude be such as to reduce the profit of stock, and in that manner to cause or to be likely to cause capital to leave us, the objection of the political economist, however

true in the abstract, becomes, in a manner, lost in the urgency of circumstances. The application of general principles in regard to money transactions is thus found to require no slight share of the caution that has proved necessary in other departments — our corn trade, our navigation, our custom duties.

To explain our meaning by example. In 1815 the President of the Board of Trade was as fully convinced as Mr. Horner, or any member of the house, of the radical impolicy of our corn laws; but while he regretted that they should ever have been enacted, or that agriculturists should ever have relied on so unnatural a support, he felt that any change must be gradual, that the advantage from a return to sound principle would be remote, and the evils of transition immediate. The Agricultural Committee of 1821 acknowledged, in like manner, the benefit of free trade, but felt the inexpediency of its early adoption: while in regard to our navigation, the bills brought forward during last session, for repealing the obnoxious part of our statutes, experienced, as is well known, much opposition and curtailment from the same cause.

After such examples we may be allowed to pause ere we admit a complete latitude in regard to the disposal of money. The principles of productive industry, prescribe in the words of Vauban, *que l'argent le mieux employé est celui que le roi laisse entres les mains de ses sujets* — that government should, if possible, avoid draining it from the pocket of the individual in the shape of either a loan or tax. Were it practicable to avoid both, we should be reluctant to urge, or even to listen to projects of advantage from anticipating resources, however plausible under our prospects of increas-

ing wealth. The question, however, has no such scope, being unluckily confined to a choice of evils — taxation or borrowing.

Yet even under circumstances of pressure, we should beware of urging a transfer of burden to the next generation, were their situation likely to be as embarrassed as our own. But whether we look to the increasing caution of our rulers, the resources arising from improvements in our national industry, or the diminution of burden by its repartition among augmenting numbers, we find reason to consider their prospects far superior to our own. And though the assertion may be singular, it is, notwithstanding, true, that to relieve ourselves from a portion of our burden, is an effectual method of extending the resources of our posterity, inasmuch as the magnitude of the present pressure by sending abroad the family of the annuitant, and, as we fear, the money of the capitalist, operates to curtail the fund destined to become in the hands of the next generation the basis of national wealth.

Would the proposed Loan, affect the Rate of Interest? — One of the chief features in the great transition from war to peace, was an increase of disposable capital, and it may well be made a question, whether several years ago, government would not have applied a more direct cure to the national wound, by a demand on the monied interest for a loan, than on the public for taxes. At present, the proposition seems to admit of no doubt: to take 4,000,000*l.* annually out of the money market, would, doubtless, operate in some measure to retard the fall of interest, and the advantage slow, but sure, which follows that fall; but

it would probably do so in a slight degree, whether we consider the present abundance of capital or the satisfactory prospects of our monied interest. Three years have elapsed since passing the act for the resumption of cash payments and the dread of scarcity of capital has proved groundless. There seems, assuredly, no reason to apprehend any early demand for money for the payment of corn imports. And in as far as a loan might lessen the transfer of capital to foreign funds, there would, of course, be no ground of complaint in this country.

Would it affect the Price of Stocks? — This question we shall answer first on the part of the public, and next on that of the stockholders. Since the reduction of the five per cents., the public appears to have hardly any greater interest in keeping up the funds than in maintaining the price of land, merchandize, or any other description of national property. The only direct advantage from a rise in the funds, would be the power of reducing the old four per cents., and the farther power of reducing the new four per cents., six years hence. Any diminution of interest in the great mass of our debt, the three per cents., is a very doubtful and remote object: a result not likely to ensue, until after a lapse of years and a concurrence of circumstances which will, in all probability, materially change our financial condition. But, whatever may be the probable time of the occurrence of such a power, there can be no doubt of the impolicy of endeavouring to accelerate its arrival, in regard to either the three or the four per cents. by artificial means. The reasons against such a course are even when briefly stated (p. 305)

so direct and substantial, as to render it incumbent on every well-wisher to his country to dissuade it; and nothing prevents our enlarging on the evils that would attend it, except a conviction that ministers have definitively relinquished it.

Next, as to the effect of a loan on the interest of stockholders. Dividing these into the two classes of temporary and permanent depositors, and considering the former as loan contractors, we shall soon find that they may safely venture on such a loan without the pledge of taxes. Four millions, if borrowed at an interest of four per cent., would involve an annual burden of 160,000*l.* which, if the plan of a sinking fund provision for each loan were retained, might be carried to 200,000*l.*, a sum not insignificant certainly, but not equal to *half* the addition that is annually making to our revenue by the increasing consumption of taxed articles. The security, therefore, is such as was never offered on a war loan in the most brilliant days of our finance.

Lastly, as to permanent depositors and the probable price of stocks for a series of years. What, we ask, have been the causes of the slow rise of stocks since the peace? The years 1814 and 1815 required heavy loans; 1815 was a season of general distress, but no sooner did our prosperity return in 1817, than stocks rose and continued high during 1818, when the mismanagement of the French loan, and, soon after, the effect of overtrading in this country, produced a fall. These causes, joined to the national disquietude during a trial of unfortunate notoriety, delayed the rise of stocks; and a farther delay took place from an apprehension that the magnitude of the agricultural distress would necessitate a reduction of the

public dividends. Since then, however, the revenue has materially improved.

Two points will be readily admitted by the permanent depositor in our funds; first, that whatever conduces to the national prosperity has a tendency to raise stocks; and next, that a loan for the purpose of reducing taxes is altogether different in its operation on his property from a loan for the purpose of expenditure. By augmenting the value of money it *augments his income*, and affords him a substantial return for any reduction, or rather delay of rise in the market price of stock.

Limitation to borrowing. — Were the plan of an annual loan to be adopted, and found to answer, what limit it may be asked, should there be to our borrowing; at what time ought we to suspend our demand on our future resources? At the time when our taxation shall have been brought to a level with that of France and other countries, our rivals in manufacture. If in these countries the public burdens form 20 per cent. of the national revenue, let the same be considered the limit of taxation in England; the point below which we make no attempt to reduce it, satisfied with the superiority given to our productive labour, by our physical advantages, — our mines, and our command of water communication.

Retrenchment. — Nor ought the adoption of this system, though conducive to financial relief, by any means to lessen the demand on the part of the public for retrenchment: on the contrary, it would bring with it a direct motive for reduction, the effect of all abatement of taxation being to increase the value of money; to add to the emoluments of the servants of the public. The allowance to Prince Leopold, for example, has been imperceptible

tibly, but substantially increased from 50,000*l.* to 60,000*l.* by the fall in prices since passing the grant; and if taxes are further reduced, it will, ere long, attain the value of 65,000*l.* It follows, that a reduction to a sum representing the value of 50,000*l.* at the date of the grant, might take place without injury to the Prince, and without deviating from the spirit of the act of parliament.

Have loans, in time of peace, been sanctioned by the example of other countries? As yet, only by that of the United States and some Continental powers who, seeking their supplies from alien capitalists, have no title to be held forth as an example to England. But, had Holland in former ages possessed the evidences of progressive increase of population and income which at present happily belong to our country, her course would probably have been that which we recommend, and without any departure from her habitual caution; for, if, in peace, wages, salaries, and profits are lower, and the power of present payment less, the labourers in the productive field are more numerous, the results of their exertion far more conducive to eventual prosperity. During the late war, our national income was large but of uncertain duration: at present, it is reduced in amount, but much improved in prospect. If, in the former case, it was politic in government to defray a large share of the current expence out of our passing gains, a different course is obviously suited to a state of peace.

Of these, as of our previous suggestions (p. 289.) it may be said that we propose to do nothing by surprize, by contrivance, or by plausible calcula-

tion; all may be gradual, voluntary, and open, where necessary, to recall. From circumstances beyond the power of foresight, a great pressure has fallen on the present generation: it is proposed to transfer a part of it to future years, but on a plan that will leave those on whom it may devolve, whether of the present or the next age, far less burdened than we now find ourselves. How singular, that in all our distress since the peace, amid all the schemes for our relief, none of this nature should have been brought forward until the recent proposition of the transfer of life interests into long annuities. Had our finances been administered by a man of the bold, inventive mind of Pitt, the increase of our population and the connexion between it and the increase of taxable income, would, ere this, have been made the ground work of some decisive measure. Let it not be objected that such was not his course during the period of his administration that passed in peace, and that the plan pursued for the support of our credit after the American war, was the imposition of additional taxes. At that time the increase of our numbers was less rapid, and for want of regular returns, was unperceived. The recent loss of our colonies forbade the expectation of a progressive extension of trade, and there were few examples in our history, of taxes repealed in the hope of stimulating productive industry. Mr. Pitt pursued, therefore, the only expedient within his knowledge, but had peace been preserved after 1792, there can be little doubt that the result of the favourable state to which circumstances had brought our finances, would have borne the stamp of his discriminating mind, and of the example given, under circumstances somewhat similar, by Sir R. Walpole: it

would have been, not the support of the sinking fund, to an extent that would have afforded an inducement to send capital out of the country, but the repeal or reduction of the taxes which interfered most directly with productive industry, in conformity to the course recommended many years before by Dr. Smith.*

The period from 1783 *to* 1793. — No period of our history, is, as far as regards our productive industry, entitled to an equal share of our attention, the circumstances of that interval of peace being, in many respects, similar to those of the present time. Beginning in financial embarrassment, our prospects gradually brightened, and our trade flourished without the aid, as in a period of war, of artificial causes: all was the legitimate result of the application of capital and industry to the improvement of our national advantages. Agriculture prospered without a rise of prices; the revenue increased, at least in the latter years, without new taxes: labour was paid not largely but satisfactorily, and the addition to the poor-rate was very gradual. Let us not imagine that the period in question possessed particular advantages; that the progress of our cotton manufacture, and the troubles of France, placed our countrymen in those days on commanding ground: they felt the pressure of taxation, and were not altogether exempt from the pernicious operation of corn-laws. With confidence, therefore, may we conclude, that could but a part of our present burdens be removed, we should follow the career of productive industry with equal or superior advantage.

* Wealth of Nations, Vol. iii.

CONCLUSION.

We have now brought our labour to a close, after endeavouring to exhibit a picture of our national situation, and enumerating its various advantages and drawbacks, in a manner which, whatever may be thought of the degree of ability, will hardly be arraigned on the score of partiality. Political allusions have been avoided as much as was at all practicable, in an inquiry in which statistical results were frequently affected by the decisions of the cabinet. If we have ventured on questions of great difficulty, and occasionally expressed opinions with a degree of confidence, it has proceeded from no other feeling than a consciousness of the advantage arising from command of time, and the opportunity of giving long continued attention to a few select subjects.

Summary. — Our first chapter was appropriated to a much disputed question, the causes of the unexpected abundance of our financial resources during the war, and their still more unexpected deficiency since the peace. This was followed by an inquiry into the subject of "currency and exchange," which, uninviting and intricate as it is, could not with propriety be omitted in a work which referred so frequently to changes in the value of money. The state of agriculture claimed a

longer chapter and more ample details, as well from sympathy to a very numerous and respectable class, as from the importance of the subject to the nation at large. The price of produce influencing so directly the price of labour, it becomes an object of great solicitude to arrive at an opinion as little doubtful as possible in regard to our prospect of the supply of corn both as to quantity and price. On that must, in all probability, depend a variety of future measures: the regulation of wages, salaries, and money incomes, generally; the degree of equality in the means of competition between our manufacturers and those of the continent; and the latitude which may consequently be taken by government in removing the restrictions on our commercial intercourse.

From these doubtful and anxious points we turned with satisfaction to the evidence of our increasing population, accompanied, as it is, by ample means of subsistence. Augmentation of national power; a confirmation of the hope of continued peace; the means of reducing taxes — are all, if our views be correct, consequences of the superior rapidity of the increase of our numbers.

The examination, in the chapter that followed, of the fluctuations in the value of gold and silver, was prompted by a double cause — the revolutions in the value of money during the last thirty years; and the evident disproportion existing at present, particularly in the metropolis, between the rate of wages and the cost of the maintenance of the individual. A hope of being instrumental in correcting these anomalies led to researches of which the object is to give a permanent and uniform value to money contracts; to lessen the prevailing objection to leases; to give facilities to a measure likely

to become more and more expedient, — a commutation of tithe; and, finally, to show annuitants that it may not be impossible for them to make an abatement of money income without a sacrifice.

In our concluding chapter we have conveyed our ideas in regard to the operation of a sinking fund; the distinction between temporary and permanent depositors in the stocks; the comparative weight of English and French taxation; and the prospect of a farther reduction of our burthens.

It may appear somewhat singular to our readers that subjects of such general interest should not long ere this have been fully discussed; that questions of such importance to our welfare should not have been decisively answered. But in such researches the magnitude of the labour is found to exceed all previous calculation: the number of persons fitted for it by situation or habits is not great; and, immersed as they generally are in official or professional pursuits, a long period elapses in this, as in the province of general history, before an individual is enabled to bestow on such topics the time and attention they require.

Comprehensive as the preceding investigations may appear, there still remain for discussion several subjects of great interest.

Our Trade. — Of our commercial history during the last thirty years, we propose a sketch as circumstantial, and as carefully grounded on official documents, as that which has been given of our Finances and our Agriculture. The fluctuations in our trade, the over-rating of our profits during

the war, the distinction between real and nominal additions to property, are all subjects which require examination, and perspicuous statement.

Emigration. — The present improvement in the state of our manufacturers has lessened to a very numerous class the necessity of emigration, but it still holds in regard to our agriculturists. A disquisition into this subject would open views connected with the diffusion of civilization, not only in our colonies, but in many districts in Europe, the state of which is more backward than can easily be conceived by the untravelled part of our countrymen. Though to send settlers to these neglected tracts would form no part of our policy, their improvement would be of interest to us, both as opening markets for our manufactures, and as proving to continental powers how much it is their policy to maintain peace, and to seek in the diffusion of civilization that increase of population and revenue which they have hitherto so fruitlessly attempted from conquest.

Public Retrenchment. — This question, much as it has been discussed, still stands in need of an exposition unconnected with party views, and founded on considerations strictly statistical, in particular the power of money in the purchase of commodities, and the extent of the change attendant on the transition from war to peace.

Finance. — On this head we have communicated in the present volume only a part of our materials: much remains to be done to give clearness to official statements, and to support the arguments for a farther reduction of our burdens.

Population. — Our view of this subject is different from the creed of most political economists: we must consequently anticipate opposition, and if engaged in a renewed discussion, we propose entering on an exposition of our views in regard to the much-disputed question of productive and unproductive labour.

Parallel between England and France. — We have exhibited a comparison of the charges on agriculture, and of the general taxation of the two countries: but there remains much to compare in regard to the state of trade and manufactures; of military and other public establishments; of education, science, and national usages.

These several topics it is our intention to discuss, in an additional volume, whenever circumstances shall afford the time requisite for such laborious researches.

APPENDIX

TO

CHAPTER I.

(Page 20.) *Expence of the late wars, reckoning from the beginning of* 1793 *to the beginning of* 1816.

MONEY RAISED.

War of 1793.

Years.	By Taxes.	By Loans.	Total.
	£	£	£
1793	17,170,400	4,500,000	21,670,400
1794	17,308,811	11,000,000	28,308,811
1795	17,858,454	18,000,000	35,858,454
1796	18,737,760	25,500,000	44,237,760
1797	20,654,650	32,500,000	53,154,650
1798	30,202,915	17,000,000	47,202,915
1799	35,229,968	18,500,000	53,729,968
1800	33,896,464	20,500,000	54,396,464
1801	35,415,096	28,000,000	63,415,096
1802	37,240,213	25,000,000	62,240,213
	*263,714,731	200,500,000	464,214,731
Deduct sums for the service of Ireland - -		13,000,000	13,000,000
		187,500,000	451,214,731

* Dr. Hamilton on the National Debt, pp. 157. 269.

War of 1803.

Years.	By Taxes.	By Loans.	Total.
	£	£	£
1803	37,677,063	15,202,931	52,879,994
1804	45,359,442	20,104,221	65,463,663
1805	49,659,281	27,931,482	77,590,763
1806	53,304,254	20,486,155	73,790,409
1807	58,390,225	23,889,257	82,279,482
1808	61,538,207	20,476,765	82,014,972
1809	63,405,294	23,304,691	86,709,985
1810	66,681,366	22,428,788	89,110,154
1811	64,763,870	27,416,829	92,180,699
1812	63,169,854	40,251,684	103,421,538
1813	66,925,835	54,026,822	120,952,657
1814	69,684,192	47,159,697	116,843,889
1815	70,403,448	46,087,603	116,491,051
	770,962,331	388,766,925	1,159,729,256

Deduct the proportion of the above raised for the service of Ireland -	46,612,106
	1,113,117,150

Note. — See a very short but clear summary, entitled "Statement of the Revenue and Expenditure of Great Britain, in each year, from 1803 to 1814, by C. Stokes."

Summary.—Instead of dwelling on these complicated statements, we invite the reader to fix his attention on the following abstract in round numbers:

War of 1793.

Total money raised by loans and taxes, exclusive of the loans for the service of Ireland, about - - - -	£450,000,000
Deduct the probable charge in Great Britain and Ireland, had peace been preserved, 18,000,000*l.* a-year - -	180,000,000
Balance constituting the war expenditure	270,000,000

War of 1803.

Total money raised, exclusive of the sums for the service of Ireland, about -	£1,113,000,000
The deduction for the probable expence of a peace establishment, may, after 1803, be called 22,000,000*l.* a-year, as well on account of our augmented population, as because in the table of the war of 1803, the charge of collecting the revenue is not deducted; say 22,000,000*l.* for 13 years - -	286,000,000
Balance constituting the war expenditure	827,000,000
Average war expenditure from 1793 to 1802, both inclusive - - -	25,000,000
Average war expenditure from 1803 to 1815, both inclusive - - -	63,500,000
Total charge of the two wars, exclusive of an ample allowance for a supposed peace establishment, nearly - -	1,100,000,000

This amount, adopted in the text, as representing the total of our war expenditure, may require some explanation. It is exclusive of the sums raised for the service of Ireland during the twenty-three years in question, whether by taxes in that country, or by loans in England; on the other hand, it comprizes a large sum appropriated in England not to the war, but to the reduction of the national debt. Still, as the amount of money thus applied did not materially exceed the sums raised for the service of Ireland, and as it forms no part of our object to aim at fractional accuracy, we may safely consider the sums thus left out as balancing each other, and assume the 1,100,000,000*l.* as a representation of our total war expenditure.

Though the expenditure of the war of 1803 exceeded that of the war of 1793, in the proportion of more than three to one, the addition made to our public debt was not at all in that proportion; the war of 1793 having added to it fully 200,000,000*l.*, that of 1803 about 260,000,000*l.* In the war of 1803, the far greater part of the expence was defrayed by the property-tax and other supplies raised within the year.

Such were the total sums raised for our war expenditure; but it is fit to recollect that they do not indicate with any

accuracy the extent of sacrifice connected with the war. There remain, as we shall see presently, (pp. xii, xiii.) considerations of great importance on either side of the account; such, on the one hand, as the loss arising from the transition to peace; on the other, the amount of supply derived from the extra profits attendant on a state of war.

(Page 25.) — *Explanation of the "official value of goods."* — The "official value of goods" means a computation of value formed with reference, not to the prices of the current year, but to a standard fixed so long ago as 1696, the time when * the office of Inspector-general of the Imports and Exports was established, and a Custom-house Ledger opened to record the weight, dimensions, and value of the merchandize that passed through the hands of the officers. One uniform rule is followed year after year in the valuation, some goods being estimated by weight, others by their dimensions; the whole without reference to the market price. This course has the advantage of exhibiting with strict accuracy any increase or decrease in the *quantity* of our exports.

Next, as to the *value* of these exports in the market. In 1798 there was imposed a duty of 2 per cent. on our exports, the value of which was taken, not by the official standard, but by the declaration of the exporting merchants. Such a declaration may be assumed as a representation of, or at least an approximation to, the market price of merchandize; there being, on the one hand, no reason to apprehend that merchants would pay a per centage on an amount beyond the market value; while, on the other, the liability to seizure afforded a security against under-valuation.

These two scales of valuation, we mean the official and the declaration of the exporters, afford the means of solving a question of no slight importance, viz. the comparative value of merchandize in the present age and in the preceding century. Some articles, in particular coffee, cottons, hardware, are cheaper than in the reign of King William; but the great majority were, during the late war, so much dearer, that it was usual to calculate the real or market value at 50 per cent. above the official value. Since the peace the case is greatly altered, the market price of goods having, as we shall perceive presently, been greatly reduced.

* Chalmers' Historical View of the Domestic Economy of Great Britain and Ireland, 1812.

Total exports from Great Britain, comprising home produce and manufacture, as well as foreign and colonial goods, valued at the Custom-house according to the fixed official standard, (inclusive of export to Ireland).

1814	£56,591,000	1818	£56,851,000
1815	60,984,000	1819	46,912,000
1816	51,260,000	1820	51,731,000
1817	53,125,000	1821	56,445,000

Annual average of the eight years of peace, above £54,200,000

This is the average referred to in the text (p. 25.) with the addition of our exports in 1821.

We subjoin, in the next place, the *declared* value of our exports since the peace.

Exports from Great Britain, taking home produce and manufactures at the value declared by the merchants, and adding the case of foreign or colonial goods 25 per cent. to the al value, an addition considerably less than that which ade in war.

.	£73,489,000	1818	£64,263,000
.	74,372,000	1819	52,031,000
.	61,138,000	1820	52,982,000
.	58,032,000	1821 about	54,000,000

erage of the seven years of peace 14 to 1820, both inclusive, men- n the text, (p. 26.) £62,330,000

ose who may wish to carry farther these calcula- ur exports, and of their effect on our productive we add a return of that part of our exports which directly illustrative of the extent of our domestic ry.

xports of home produce and manufacture from Great Britain, exclusive of foreign and colonial merchandize.

	In money of the particular year.	Supposed to be equivalent at the prices of 1792 to
Average of six years ending with 1792	£22,131,000	£22,131,000
Ditto 1798	25,658,000	23,325,000
Ditto 1804	56,817,000	30,681,000
Ditto 1810	43,575,000	33,519,000

These sums represent not the official, but the real or market value; they are formed by adding 50 per cent. to the custom-house standard.

The reduction to money of a uniform value (that of 1792) is expedient for a period in which money has varied so greatly: it removes a part of the exaggeration to which we habituated ourselves during the war, and simplifies the comparison with years of peace, to which we now proceed.

Exports of home produce and manufacture from Great Britain since the peace, according to the value declared by the exporting merchants, (inclusive of export to Ireland).

Years.	Money of the particular year.	Supposed to be equivalent at the prices of 1792 to
1814.	£47,851,453	£37,000,00
1815.	53,217,445	42,000
1816.	42,955,256	34,00
1817.	43,626,253	35,0
1818.	48,903,760	3
1819.	37,940,000	3
1820.	38,620,000	3
1821. about	40,000,000	4

These returns, when compared with the prece
ficiently establish the greater value of our exp
the peace. They may appear at variance with a
lately published in a work of wide circulation, (Qua
view, No. LII., p. 534.) in which the exports of th
of war, 1811, 1812, 1813, are contrasted with th
of peace, 1819, 1820, 1821, and the amount of the
found to be considerably greater. This, however, is to
understood of foreign merchandize, and was owing to t
extent of our transit trade during the years when neutrals
had very little direct navigation, and were obliged to carry
almost every article through the medium of this country.
But a transit trade may be very large, without making any
great addition to the productive powers of a country, and
our object being to show the connexion between the
amount of our exports and the degree of activity existing
among our population, our tables are confined to returns
of our home produce and manufactures.

We subjoin a farther extract illustrative of the general fall in the price of merchandize since 1818.

Exports from Great Britain, of Home Produce and Manufactures.

Years.	Official value.	The declared or market value.
1818.	£44,564,000	£48,904,000
1819.	35,634,000	37,940,000
1820.	40,240,000	38,620,000
1821, exclusive of our export to Ireland	40,195,000	35,826,000

Though the fall of prices followed very closely on the peace, the market value continued, as appears from the returns of 1818, from 10 to 12 per cent. above the official ...lue. In 1819, a year of stagnant trade, the market ...e fell to within 7 per cent. of the official value, and ... 1820 it has been below it. By this we are to under- ... not that all merchandize is cheaper than in the reign ... William, when the standard of official value was ...but that cottons and hardware, (in particular cot- ... so very large a proportion of our exports as ...balance the rise in woollens, leather, and other ...hich are still somewhat dearer than they were a ...o.—Returns such as these are of the highest in- ...e political arithmetician.

...36.) *On government expenditure as productive of* ... — The reader, after admitting all that is advanced ...text, may still find difficulty in accounting for the ...ing amount of our revenue during the war. That ...expenditure of borrowed money gives activity to the ...sent generation, at the expence of the next, is too ...vious to require much illustration; the intricacy is, in ...gard to the portion of the expenditure supplied by taxes, ...he circulation of which can hardly be supposed to add to the wealth of the nation that pays them. Mr. S. Gray, on whose views, particularly in regard to population, we shall soon have occasion to enlarge, appears to consider taxation a means of increasing wealth, and to make no great distinction between money raised for a military purpose and a rate imposed for the improvement of our streets,

roads, or canals. Without at present discussing this quesiton, we have no difficulty in regarding taxation, when *expended at home*, less as a privation of wealth than as an instrument of circulation. It is evidently applied to the extension of employment, and, by increasing the incomes of individuals, enables them to find a fund for answering its own demand, — the subsequent visits of the collector.

Imagine the case of a contractor receiving annually 100,000*l.* from the Treasury, and distributing it in an addition to the wages, salaries, and profits of two or three thousand persons. Without the war, these individuals might, and probably would, have had employment, but not to an equal extent, receiving perhaps 60*l.* annually instead of the 70*l.* or 80*l.* given them by the war, an addition which fully enabled them to pay the extra charge imposed in the shape of taxes. Or suppose the whole expenditure of the nation, in other words, the amount disbursed on articles, which, directly or indirectly, pay taxes, to be 200,000,000*l.* a year, and that in addition to former burdens, new taxe[s] are imposed to the extent of 20,000,000*l.* The effec[t] this heavy impost is a correspondent rise in the pri[ce] the articles consumed; but as the amount received [by] Treasury is forthwith circulated among the payers [of] taxes, and applied to remunerate their exertion[s] are enabled to indemnify themselves by an add[ition] charges constituting their respective incomes, [in] the shape of wages, salary, or profit of stock. [By] of this power, the higher price paid for articles of [consump]tion becomes a matter of indifference, particula[rly] in consequence of the government demand for [the] money, the increase of their incomes exceeds the [rise] of their expence. The result accordingly is, that [they] 30 or 40 per cent. additional on their consumption, [as] much to the charges constituting their incomes, and [have] a farther benefit from the extra business created [by] war. We are thus enabled to account in some mea[sure] for a notion very prevalent on the Continent, but wh[ich] every Englishman hears with surprize, — that we prolong[ed] the war with a view to our pecuniary advantage. Does [it] not also serve to explain the popularity of the contest with a number of our countrymen, in a manner somewhat different from the generous spirit of sacrifice ascribed to them with such affectation of sincerity by mercenary journalists?

Taxation is injurious chiefly in two ways: in an individual sense, when the parties assessed have not the means of indemnifying themselves; and in a national sense, when

the magnitude of the burden is such as to reduce the profits of labour and capital materially below those of other countries. The former receives at present a distressing exemplification in the case of our agriculturists; the latter has long prevailed in the Dutch provinces, at least in the maritime provinces of Holland and Zealand, in which the charge of defence against the sea is superadded to heavy demands of a political nature. Such also has been, in a considerable degree, our own situation since the peace; that it was by no means so during the war, has, we trust, been satisfactorily shown in the text.

We consider, therefore, our taxes during the war in the light of circulation, without ascribing to them all the detrimental effects alleged by the majority of political economists, and still less the beneficial operation attributed to them by others. The latter opinion, singular as it may seem, is nearly a century old, and was supported by repeated references to the case of Holland before her decline. In this country it seemed to receive a striking confirmation from the stagnation that followed the peace, as the public failed to take into account how much the circulation not of taxes but of borrowed money had been the cause of the general activity during the war.

APPENDIX

TO

CHAPTER III.

Estimate of National Loss arising from the War.

After the general notice given in the text of the changes that followed the peace, the progress of inquiry leads naturally to a more specific statement, to an estimate of the amount of national loss attendant on the war. In this investigation we shall studiously avoid discussing the policy or impolicy of that great contest; the practicability of avoiding it in the outset, or of terminating it in a comparatively early stage. We shall avoid, in like manner, any parallel of a more comprehensive nature between the magnitude of our sacrifices on one hand and the benefit resulting on the other from re[store] equilibrium of the Continent. Nothing, indeed, [is] more hopeless than an attempt to produce an [agree]uniformity of opinion on such a subject. The [oppo]tionist, in his review of the events of the last th[irty] takes little account of the danger that arose a[broad] from the aggrandizing spirit of the French gove[rn]nor, while urging, and urging justly, the insignifican[ce] of most causes of continental quarrel, does he ma[ke] allowance for the importance of the Netherlands, an[d] surprising addition which their possession made to the p[ower] of France. The ministerialist, on the other hand, is equ[ally] confident and indiscriminating, making no admission [of] the occasions on which (as in 1793 and 1807) our government acted an aggressive part, and justifying the attack on Copenhagen as he would the defence of Spain. From the delusion that the war was a source of wealth, we now begin to be awakened; but, in other respects, we are yet far distant from the time when the public shall be enabled to

view the transactions of this eventful age with the calmness of historical inquiry. It will be for a succeeding generation to appreciate, on the one hand, the ferment produced by the French Revolution; on the other, the course by which our political guides, had they been aware of the little dependence to be placed on foreign allies, and of the aid to be derived for the maintenance of order from the structure of society at home, might have endeavoured to pass the period of alarm. The hazardous alternative of an appeal to arms would probably have been avoided, had our councils been guided by a Burleigh; or had he whom circumstances placed at our helm in these critical times, been of an age to derive from personal reflection and experience that knowledge in which he was necessarily deficient, and the want of which was so feebly supplied by the coadjutors with whom our system of parliamentary influence surrounds a minister.

The discrepancy that prevails among politicians is equally remarkable among political economists. To the follower of Smith and Say, all war seems impolitic and unnecessary: in his eyes, the whole of military array, the training, equipping, and maintaining of fleets and armies, appears an absolute sacrifice, the loss of the labour of the most valuable part of our population. It is with great difficulty that he can be brought to allow that war brings with it even a temporary aliment to its consuming powers. On the other hand, the convert to a doctrine of later date, we mean the system to which Mr. Gray has given the emphatic name of "productive," expatiates on the increase of individual income arising from government expenditure; but carrying his arguments much further than has been done in our pages, fails to distinguish between a temporary and a lasting advantage, and reasons on the stimulus given by the circulation of borrowed money, as if it were exempt from the frightful reaction which we have felt during the last eight years.

On the course of our productive industry since 1792, we extract a passage from a well-known writer:—

"Notwithstanding the immense expenditure of the English government during the late wars, there can be little doubt but that the increased production on the part of the people has more than compensated for it. The national capital has not merely been unimpaired, it has been greatly increased; and the annual revenue of the people, even after the payment of their taxes, is probably greater at the present time than at any former period of our history.

For the proof of this, we might refer to the increase of population, — to the extension of agriculture, — to the increase of shipping and manufactures, — to the building of docks, — to the opening of numerous canals, as well as to many other expensive undertakings; — all denoting an increase both of capital and of annual production." (*Ricardo on Political Economy, second edition*, p. 170.)

With this passage, though written in a liberal and enlightened spirit, we cannot altogether coincide; yet our objections are less to its general tone than to the omission of some interesting particulars. Thus, no admission is made of the increased proportion of our burdens to our incomes; nor that in any estimate of our national wealth expressed in money in the present day, a deduction of nearly 20 per cent. is to be made from an estimate of 1792, on account of the inferior value of money.

In substance we concur in the opinion of Mr. Ricardo; but we have arrived at that result by a minute and, at first, by no means encouraging investigation, the particulars of which we shall now lay before our readers.

Losses on a transition from peace to war. — These consist in the abandonment of various undertakings adapted to a low rate of interest and a moderate price of labour; they may be either agricultural, manufacturing, or commercial, and their extent will be best comprehended by the recollection of the long list of bankruptcies that took place in 1793.

Losses on a transition from war to peace. — These are more fresh in the recollection of the public, as well as more obvious to common observation: soldiers and seamen discharged, foreign colonies relinquished, the manufactures suited to a state of war suspended, workmen and capital put out of employment, and the public saddled with a long list of pensioners and half-pay officers.

Public works, such as canals, roads, and bridges. — These, however commendable in the intention, are expedient as undertakings only when the returns are such as to afford a fair interest for the capital invested. From the high price of labour and materials in the latter part of the war, most speculations of the kind, such for example as the new bridges of the metropolis, were attended with a far greater charge than if they had been postponed and executed in peace. The same holds in regard to our agriculture, in which a large share of the outlay was incurred on the assumption of high prices. Even in the case of our manufacturing machinery, a part erected when labour was high,

is no longer necessary or profitable, now that labour is reduced. Still, a great part of such loss is merely in appearance, and resolves itself into the different value of money: the canal share, which, in 1813, cost 100*l.*, may be said to indemnify its owner, if it at present fetches 70*l.*; it involves an absolute loss only, in as far as it falls below that proportion, a case at present unfortunately too frequent.

Tithe. — This portion of our burdens is different from general taxation. Its amount, as expressed in money, increased surprizingly during the war, in consequence of two causes, — the enhancement of produce, and the extended cultivation attendant on the increase of our numbers. How far did it prove of detriment to our resources? It was paid by that portion of the community, who, so long as the war lasted, were most able to defray their burdens. On the public at large, its pressure was not apparent; in an indirect sense, however, that pressure was great, for tithe operated as an obstacle to cultivation, and greatly restricted the amount of our produce, at a time when it would have been most desirable to increase it.

Poor-rate. — In this respect, the estimate of burden during the late wars is subject to considerable qualification. The increase of the rate having been as great in agricultural as in manufacturing districts, although in the former, work was, all along, abundant, the inference is, that the rise was, in a great measure, *nominal*, and would otherwise have been paid in the shape of wages. When to this we add the decrease of rates in the last and present year, with the probability of a progressive diminution, it is evident that the portion of burden attributable to the war on this ground, is much less than might be inferred from the numerical statements of the poor-rate.

We come now to a far more serious charge, the expenditure of government, the result of which will be best expressed in the tabular form.

Computed Amount of Burdens arising from Government Expenditure during the War.

Interest of the debt contracted during the war, after allowing for the reduction of the 5 per cents. - - -	£ 22,000,000
The annual amount of half-pay and pensions in the army, navy, and civil service, arising from the war, is at present (1822), about 4,500,000*l.*; but consisting almost all of life annuities, may be computed equal to a permanent burden of - -	2,000,000

Exclusive of this, the expence of our army and navy is very greatly augmented since 1792, partly from the extension of our foreign possessions, partly from causes unconnected with the war, such as the increase of our population, and the necessity of enforcing the collection of the revenue in Ireland. At present, after deducting the half-pay and the recent reduction, the charge of our army and navy still exceeds that of 1792 by 6,000,000*l.*, but from the prospect of continued peace, and the general fall of prices, we may anticipate a farther eventual reduction of 1,000,000*l.* Of the remaining difference, we put to the account of the war, somewhat more than half, viz. - - - -	3,000,000
For increase of the civil list, salaries, pensions in consequence of the war and of the fall caused by it in the value of money - - - -	2,000,000
Other war charges not enumerated -	1,000,000
Total -	£30,000,000

Deductions from our apparent burdens: taxation of other countries. — The financial relief which we have in prospect, is, in some respects, easily understood: thus, that our half-pay allowances must decrease, either by the occurrence of deaths, or a transfer for long annuities, is sufficiently apparent; but the case may not be quite so clear in regard to a deduction of another kind, we mean that which arises from a community of the pressure of taxation on the civilized world at large. However real our losses from the war, however inferior our national wealth to what it would have been, had peace been uninterrupted, we cannot be said to have incurred absolute injury, or to labour any other permanent disadvantage, in as far as *similar burdens* have been imposed on those who are our competitors in the career of productive industry. This we say, though perfectly aware of the folly of the doctrine that one nation gains by impoverishing another, as well as of the injurious tendency to us of all restrictions on the industry of our neighbours. Our argument will be found to rest on a different basis: war, at all times a losing game, would be doubly so, were our opponents to escape a participation in the pecuniary pressure; our pro-

ductive labourers would soon emigrate, and pursue their industry in untaxed countries. To bring our argument to a point: if in England the late wars have increased the proportion of burden to income by ten per cent., and if in France, Germany, or the Netherlands, the comparative increase be five per cent., our loss can hardly be considered as exceeding the difference; for we suffer in no greater degree than the extra five per cent. in whatever regards the hazard of rivalship, the injury from foreign competition.

Our war taxes. — Our next modification of our losses, is also of a very extensive character, though it does not happen to form a deduction from the preceding table: it comprises no less than the *larger portion of the sum raised by war taxes*, which, though (see p. 22. of the text) of very great amount, we are disposed to consider as defrayed out of the extra profits of a state of war; so large was the gain of the public, whether in the shape of interest, salary, wages, or profit of stock, increased by the circulation of the money raised by our loans. In making this great allowance, we are perfectly aware that in many cases, particularly after our unfortunate Orders in Council, our merchants and manufacturers paid their taxes, as our farmers at present pay their rent, not from income but from capital. We are aware, also, that the resources which supplied our war taxes were temporary, and of a nature to disappear with the stimulus that excited them: but our estimate is confined to the years of war; and, large as it is, we are probably justified, on considering all circumstances, in making it.

The national debt. — After all these allowances, it may be incumbent on us to answer the question, whether we "consider our national debt as forming an actual loss, an absolute addition to our public burdens?" This question, idle in the view of the attentive inquirer, is by no means superfluous in regard to the cursory observer, to those who imagine our debt a property which without the war would have had no existence, a responsibility of little importance because due among ourselves. All such notions we intreat our readers to dismiss from their minds, and to consider our debt as not less real for being due to our countrymen. It is the record of money expended, gone for ever; and involving, as far as our burdens exceed those of other countries, a series of permanent disadvantages. Had we had no war, the capital and labour that has led to the formation of our debt would not have been unemployed; it would have been put in activity by other causes, and received its increase in a different form, though the product

would, doubtless, have been smaller, because the *ratio* of increase, whether of interest, profit of stock, or personal exertion, would in a state of continued peace have been much less considerable.

The effect of the war on the habits of individuals. — The increase of wealth arising from the war was much more an increase of income than of property. The benefit of it was reaped by those only who had formed their habits in a season of tranquil occupation, of moderate profit, and who from their experience and time of life, were ready to reap the advantage of the new harvest. The case was very different with young men entering on business during the war, who took for granted that times would continue as they found them, and made no provision for a reverse. The characteristics of this generation may be said to have been a general confidence, a habit of early expence, a repugnance to the cautious perseverance of former days. The extent of evil arising from such a source can be computed by those only whose observation has embraced a wide range, who have marked throughout the present age the frequent substitution of adventure for industry, and the reiterated loss of capital when entrusted to the young and inexperienced.

We shall close this chapter with a brief calculation of what would probably have been our financial situation, supposing political science to have been as well understood at the time of the French revolution as at present, and our statesmen equally apprized of the close connexion between the preservation of peace, and the increase of national prosperity. Had such been the case, we may fairly assume that our cabinet would either not have interfered in the war at all, or would have made peace in 1793, as soon as the French were driven within their frontiers, trusting for tranquillity at home to measures of police, the aid of an armed force, and the support of the upper classes of society. The troubled aspect of the times, and the necessity of arming the executive branch with power both to repress sedition, and to effect such measures as the union with Ireland, and the equal collection of taxes throughout the kingdom, would doubtless have obliged us to carry our expenditure considerably beyond that of 1792, perhaps to increase it in a proportion equal to the increase of our numbers and national wealth. What, then, would have been the result in 1815, the year of the definitive establishment of peace? If in the twenty-three years between 1792 and 1815, our resources had increased at the rate, not of 30 or 35 per cent., as we shall compute in our chapter on national

revenue, but of 25 per cent. (supposing the increase slower in peace), the result would have been our possessing, in 1815, a national income somewhat inferior in amount to what we actually possessed; but in point of burden, with the surprising exemption of fully 15,000,000*l.*, a difference almost equal to the nett revenue of the Russian or Austrian empires.

The result, therefore, is, that the late war, so long accounted a source of national wealth, involved a sacrifice of property not inferior to the sacrifice of lives. To this double drain on our resources, what has been the grand counterpoise? — The increase of our population; a subject, which, in its place, we shall discuss with all the attention it merits. At present we shall merely advert to a very common, but a very erroneous notion, that the rapid increase of our numbers in the present age is to be attributed to the war. Whatever may have been the case in regard to the middle classes, the wages of the lower, particularly those of the country labourer, bore, even when added to the poor-rate, (see the chapter on poor-rate), a smaller proportion to the expense of rearing a family than in peace. Now, as the lower orders form by far the most numerous portion of the nation, and the circumstances affecting them are decisive of the general increase of our numbers, we can by no means join in ascribing the surprizing augmentation in the present age to the excitement arising from the war, although that opinion may have (Lord Liverpool's speech, March, 1822) the sanction of ministerial authority. Our rulers might trace it with much more confidence to causes of a cheering and permanent character; to the effect of vaccination, to the improvement in the lodging, cleanliness, and sobriety of the lower classes.

The extent of national loss attendant on war did not escape a very intelligent observer, M. Say, who visited England at a time when we were not ourselves aware of our approaching embarrassments, and when the rest of Europe imagined that we were at the zenith of prosperity.

"Ministers and public men in England are as yet, (he wrote in 1814) far from having a just sense of the folly and ruinous tendency of war: their progress has not kept pace with the progress of the nation. The misfortunes of England take their rise in the higher regions, like the hail and the tempest: her blessings spring from beneath, like the fruits of an inexhaustible soil. The taxes have not only doubled, but tripled since 1792; and still the war expenditure greatly exceeds their amount. The consequence

is, an enormous enhancement of prices; mercantile men are obliged to do business on very slender profits and, what is still worse, many of the manufactured articles are sadly fallen from their former reputation. My French readers," he adds, "will be surprized to find in my pages an opinion so much at variance with the current notion that England is the land for the easy and rapid attainment of fortune; but the reality is widely different from the appearance."

In thus dwelling on the evils of war, our object is not to join with M. Say, and other decided Oppositionists, in lamenting what cannot be recalled, or in affixing a general censure on a course of policy, which, however reprehensible in some respects, admitted in many others of vindication from the conduct of our enemies, or of defence from the limited foresight of human nature. Our purpose is strictly statistical, being to impress on the public a point of great importance to their future welfare, and as yet but partially understood, viz. that the injury to national prosperity resulting from war, however it may be palliated or postponed, is eventually of most serious magnitude, even when, in a military sense, the issue of the contest has proved triumphant.

APPENDIX

TO

CHAPTER IV.

On Currency and Exchanges.

On the Amount of Bank of England Notes in Circulation.—The circulation of money is generally considered under two heads; that of the larger sums, which takes place between wholesale dealers; and that of the smaller, which applies to retail, the payment of wages, and other petty transactions. Between wholesale dealers money circulates with rapidity: bank notes, like coin, being wholly unproductive, any superfluous stock of them is exchanged as quickly as possible for mercantile acceptances, the purchase of government stock, or other securities readily convertible into cash. In London, the vicinity of bankers to each other, and the power of receiving an immediate supply on a deposit of securities, enable banking-houses (Bullion Report, p. 26. and Evidence, p. 123.) to lessen greatly the amount kept by them as a reserve or unproductive fund. Add to this, that whatever renders money abundant in the metropolis has a speedy effect on the kingdom at large; so intimate is the connexion between town and country, so extensive the correspondence (Evidence, Bullion Report, pp. 123, 124, 125.) of bill and money agents. If we assume six weeks as the medium term of bills discounted at the Bank, and suppose the money to change hands once in two days, the result is that 100,000*l.* thus obtained will, in the course of the six weeks that the bill remains uncalled for, circulate about 2,000,000*l.* of merchandize. How great, then, must have been the distress of trade in the latter months of

1796, and the early part of 1797, when our circulating medium was contracted by two or three millions: how seasonable the relief afforded in the course of 1797, by the resumption of discounts on their former scale!

After such a statement, it may be a matter of no little difficulty to convince our readers that the increase of Bank of England notes affords *no satisfactory proof of an increase of our circulating medium at large.* We must, however, remind them of a point in which the public opinion was long equally positive, viz. that we received an annual sum of money from foreign countries, in payment of our profits or balance of trade. This was a favourite notion with our ancestors, and is still a prevalent impression among our practical men. The balance was even reduced to specific computation, the received mode of calculating it having been to deduct the amount of our imports from that of our exports, and assume that the difference must be profit, payable to us in hard cash: a comfortable doctrine certainly, and one which, had it been well founded, would have brought among us, in the course of the last century, a sum little short of 400,000,000*l.* sterling. This is mentioned merely as an example of the hazard of deducing an inference from appearances: in regard to the present question, the increase of Bank of England paper, the doubt arises from our having no power to discriminate how far such increase forms an addition to our circulation, or is merely a a substitution of paper for coin sent abroad. Or, if the state of exchange be considered as affording, in some measure, an index in that respect, what means have we of ascertaining another material point; viz. how far an extra issue of Bank of England notes may not be a substitution for a coresponding amount of country bank paper withdrawn from circulation? This was, doubtless, the case in 1810 and 1811, a time when a number of country banks became either insolvent or discredited by the insolvency of their neighbours. Again, on the fall of prices in 1815 and 1816, there took place in our paper currency a reduction of several millions; but as the Bank of England experienced no variation of consequence, the inference is, that its paper must have been substituted in various districts for the diminished circulation of the country banks. Finally, we have the authority of both the Bullion Report, (p. 26.) and of that of the Bank Committee of 1819, that no satisfactory conclusions are to be drawn from the amount of Bank of England paper in circulation; a declaration of great importance, since the increase of that circulation formed all

along, to the antagonists of the Bank, the fundamental argument for the charge of over issue.

Fluctuations in the Circulation of Bank of England Notes.

Were we to attempt calculation on a subject necessarily conjectural, we mean how far additions to the circulation of the Bank of England formed an increase of our currency, or were merely a substitution for coin sent abroad, we should begin by considering in the latter sense all notes of 1*l.* and 2*l.*, and confine our attention to the fluctuations in notes of 5*l.* and upwards. The addition made to the latter, in the years 1797 and 1798, appears to have done little more than replace the contraction caused by the general embarrassment and distrust of the early years of the war. In 1799, 1800, and 1801, there took place an increase of nearly two millions, proceeding from several causes, particularly the export of coin, and the general rise in the price of commodities. From the end of 1802 to that of 1808 there was hardly any increase; a circumstance in a high degree remarkable, when we consider the extension of our productive industry, the farther rise of prices, and the continued exemption of the Bank from cash payments. From 1809 to 1814 the case was altogether different, the circulation increasing four, five, six, and even seven millions above its amount in the preceding period. Of this the causes were various; first, the almost complete export of our metallic currency; next, the discredit of country banks after the insolvencies of 1810; but, above all, the rise of prices which, at this period of the war, was owing chiefly to the depreciation of our bank paper.

The next era of fluctuation (1815 and 1816) was of a very different character: it affected chiefly the country banks, and was evidently a consequence of the general fall of prices, multiplied failures, and stagnation of business. The amount of this contraction has not been ascertained with any accuracy; but from the returns inserted towards the close of the Report of the Bank Committee of 1819, it seems to have exceeded 8,000,000*l.*; a sum which, large as it was, appears to have been nearly counterpoised by the re-extension of country-bank circulation on the rise of prices in 1817 and 1818.

Since the peace, what have been the causes affecting the circulation of the Bank of England? The substitution, on a greater or less scale, of coin for paper; the rise or fall of

prices; and, what is closely connected with that rise or fall, the credit or discredit of our provincial banks.

Circulation of Provincial Banks. — To ascertain the amount of country-bank paper in circulation, would be an object of great interest and importance; at present our means of calculating it are very inadequate, and must continue so while private banks are so numerous and on so small a scale. The Bank of England, placed above the hazard of discredit, declares openly its circulation: private bankers require, or conceive that they require, the aid of secrecy. This will, in all probability, continue until the arrival of the much-desired period, when the country at large shall be admitted to the advantage at present enjoyed by Scotland alone, we mean that of having an unlimited number of partners in country banks. The consequence would be, a stability beyond all doubt; and the accumulation in a limited number of great establishments (chartered banks) of that business which is at present broken into small and frequently insecure fragments. (See the Evidence of E. Gilchrist before the Bullion Committee: 1810.)

The Exemption from Cash Payments.—To exempt banks from cash payments was a measure altogether new in the history of finance, and the necessity for it is to be sought in difficulties that were peculiar to ourselves. France, Austria, and most other countries know no mode of carrying on war but by furnishing men and military stores; but after 1795, England, in a great measure, exchanged this plan for the payment of subsidies. Then as to an occasional demand for a very different purpose, the supply of corn, the lower classes in most countries of the Continent, on the occurrence of scarcity, have recourse to coarse substitutes, or, being immersed in a poverty of which we have no idea, often fall victims to unhealthy food, sometimes to absolute want; while, in a wealthy community like England, an export of the circulating medium is made the means of obtaining relief. Now, though the sums sent abroad are in either case less great than they appear, our subsidies being furnished, in a great degree, in stores, and our corn paid, in some measure, by manufactures, the drain takes place from a stream already sufficiently small for its channel; for in no country is there more of circulating medium than is *indispensable for the transaction of business.* This is apparent from various circumstances; from the rapidity with which money is made to circulate from dealer to dealer;

also, from a recent and striking fact, the distress that occurred in France in the autumn of 1818, when, notwithstanding the enjoyment of peace and free trade, the abstraction of a part of the metallic currency led to the most distressing results: an immediate reduction of discounts, a general fall of prices, and a long list of bankruptcies.

From difficulties of this nature we were relieved by that decisive measure, the exemption of our banks from cash payments: after its adoption no scarcity of money was experienced in the years of our heaviest continental demands: its effect, in fact, was to remove present pressure by incurring the hazard of depreciation, and of a great ultimate addition to our debt.

The time of its operation.—A considerable time elapsed before the operation of the act was fairly tried. In 1797 and 1798, our financial affairs were prosperous; our continental exchanges were favourable; and the suspension of subsidies and corn imports would, without the exemption, have restored confidence in our money market: when, concurrent with it and with a vigorous increase of taxation, they raised the funds and added largely to the command of money on the part of our merchants, our manufacturers, our agriculturists. It was not till the autumn of 1799, that the aid expected from the act was put fairly to the test: our allies required large payments; our deficient harvest necessitated a great import; and both were supplied without the pecuniary embarrassment experienced before the exemption. The means now adopted were, the export of our coin to the Continent, and the substitution of bank paper: the result a partial depreciation (between 3 and 5 per cent.) of bank notes relatively to coin.

In 1800, notwithstanding the continuance of continental demands both for subsidies and the purchase of corn, both government and the mercantile world still escaped pressure from scarcity of money, and thus got over an interval of greater pressure than any in the early years of the war. The experiment had not, indeed, been made with impunity: we had exhausted our coin, and could not have undergone such another trial without a great depreciation of our paper. This was, doubtless, felt by Mr. Pitt, and may be ranked among his principal motives for resigning and advising peace; but the shock was not perceived by the public, and was evidently of a nature to be repaired in a season of tranquillity.

Effect of the Exemption Act on the Prices of Commodities.—The export of our coin and the substitution of bank paper,

added a considerable sum to the currency of the civilized world, (above 10,000,000*l.* sterling between 1799 and 1802) and must have operated in a corresponding degree to the rise of prices: but this rise being common to other countries, had no tendency to produce a change in England. This part of the question is easily understood, but there is no small perplexity as to another point; we mean the power conferred by the exemption act on our bankers to discount at a lower rate of interest than was practicable in other countries. The effect of this highly important power will be found, on examination, to *tend as much to lower, as to raise prices.* The reasons are, that the advances of our bankers were made at a lower rate of interest; next, that they were made to classes strictly productive, and were evidently instrumental in increasing the quantity of our produce and manufactures; in other words, they tended either to lower prices or to supply a better commodity for the same price. In manufactures this effect is traced with difficulty; but in regard to agriculture there is no break in the chain of evidence,—no doubt, since the rise of price was owing to the insufficiency of our growth, that whatever contributed to extend that growth conduced to lessen the progress of enhancement. It is true, on the other hand, that the increased command of capital led to a rise of wages and salaries; but on the whole, we are probably justified in concluding that, after making allowances on both sides of the question, the effect of the exemption act was as conducive to lowering as to raising prices until 1809, when all fell into disorder, and the depreciation of our currency abroad became so great as to affect materially its value at home.

How far is a doctrine so contrary to the opinion of the bullionists supported by a reference to facts; to the leading events in the history of our productive industry during the war? To refer again to agriculturists, the class most nearly connected with banks of circulation:—our growth of corn, inadequate during the whole war, became so, in a high degree, soon after the exemption act; our farmers had then a powerful motive to extend their tillage, and, in fact, did extend it as far as their means admitted. It was a general notion on the part of the public, and we believe of ministers, that this extension was limited not by want of funds, but by the nature of the soil; an opinion, however, *wholly disproved by the experience of the last seven years,* in which, without equal motives to extension of tillage, the amount produced from our soil has been so greatly augmented. On this highly important fact

we have enlarged in our chapter on Agriculture. At present we shall merely ask, to what has the augmentation been owing, except to the application of additional capital and labour? Observe the importance of the conclusion to which this leads: our soil having been, as far as regarded natural fertility, as capable of increased production ten years ago as at present, had our *banks possessed the power ascribed to them by the bullionists*, would not their issues have been increased, and would not our agriculturists have obtained from them such supplies of capital as would have enabled them to extend their tillage, and bring our growth of corn on a level with our consumption? If want of hands be alleged as the obstacle, our answer is, that in Ireland and in Germany there were many thousand labourers unemployed, and that a command of capital, such as is vulgarly ascribed to our banks of circulation, would soon have transported them to our shores.

Increase of Discounts explained.—The Bullion Committee in their Report (p. 26.), animadverted emphatically on the great increase that had taken place in the amount of discounts by the Bank of England, between 1797 and 1810. This they ascribed to over issue, but they omitted to make allowance for the operation of several causes of a wholly different nature. Thus, after the Exemption Act, the notes of the Bank of England were made to replace the cash reserve of every banker in the kingdom, and supplies of these notes could be obtained only by discount. Hence, the adoption of a practice, which, in the last age, would have been deemed not a little extraordinary by the cautious veterans of Lombard Street,—that of London bankers opening, like merchants, accounts with the Bank of England; and, when in want of money, sending thither bills for discount, in preference to a sale of Exchequer bills or stock. If the reserve fund of all the country banks of the kingdom, previous to the Exemption Act, be calculated at 4,000,000*l.*, we need be at no loss to account for a very large addition to the demands for discount on the Bank of England.

The Rate of Interest.—Our last reference to facts, or, as the French express it, to *les choses positives*, regards the rate of interest which, notwithstanding the magnitude of our war expense, rose only one per cent. above its average rate in peace. This was certainly a very moderate difference, and owing, in a great measure, to the substitution of war taxes for loans; to our raising so large a portion of our supplies within the year. It was, owing also, in a very

considerable degree, to the advantage arising to bankers, from the Exemption Act; an advantage founded, in the case of provincial banks, on the saving of their reserve or dead fund, and wholly distinct from a power to increase their issues *ad libitum*. Had the latter been practicable, would not so gainful a business have been followed more extensively, and would not interest soon have been reduced, by an eager competition, from five to four per cent.?

Was the Exemption act at all similar in its effects to an increased produce of the precious metals? — The ease with which bank notes are struck off, and the apparent ease with which they are circulated, impressed the public, long before the late wars, with a notion, that banking operated like mining; and the general rise of prices that took place after 1764, was, by many, ascribed to that cause. Fortunately, Dr. Smith was then alive to combat prejudice in the people, or error in their rulers: he undeceived the public in this important point, and showed (Wealth of Nations, Book II. Chap. II.) that bank notes formed not an addition to the circulating medium of a country, but a substitution for coin sent abroad. In strict accuracy, he ought, perhaps, to have added, that the money sent abroad had some influence on prices in other countries, inasmuch as it formed an addition to the currency of the world at large: but in his age, the progress of banking was very gradual, and the portion of coin exported from England did not, perhaps, amount to a million sterling in five years; while in our time the export of only three years (1799, 1800, 1801), appears to have exceeded ten millions.

That the issue of bank paper adds but slightly to the stock of currency, so long as such paper is demandable in cash, will be readily admitted; but when exemption prevails, the case will, by many, be accounted very different. The rise of our prices during the war was so progressive, and so coincident in point of time with the increase of bank paper, that the affirmative of the proposition was generally believed, long before it received a kind of official sanction from the Bullion Report. To ascribe enhancement to over issue, was easy; to trace it to other causes and to define the limited operation of the non-convertibility of our paper, would have been a tedious and intricate task. There is, however, little difficulty in perceiving a radical distinction between a supply of currency from a mine, and a supply from a bank, even when exempt from cash payments: the former tends to lower the value of money directly, by

bringing forward gold and silver, commodities of undoubted acceptance and universal circulation; while a bank produces only a substitute, an article wholly worthless, except in a representative sense. It must, therefore, await the call of the customer, and its circulation can be augmented only to meet a rise proceeding from other causes. Farther, this extended circulation can continue only so long as the causes of high prices remain in force; for bank paper is strictly passive, having neither the power of raising prices in the first instance, or of maintaining them when raised.

This doctrine may appear somewhat bold; but we appeal to the evidence of facts, and invite our readers to inquire whether our view of the question is clearly established by the course of circumstances since the peace. During 1815 and 1816 no compulsion was exercised in regard to a return to cash payments, nor were the advantages arising to bankers from the Exemption Act, restricted in a single instance; yet country bankers were forced greatly to curtail their paper in circulation, a measure which, had they possessed the power commonly attributed to them, would, doubtless, have been postponed till the act had been repealed. This repeal has come at last, and how little it was wanted we have endeavoured to make apparent in the text.*

Our arguments will probably be more successful, when we proceed to consider the Exemption Act in another light; in that of an economising expedient. The use of bank paper is a refinement enabling a community to turn to account a large proportion, suppose the half, of a currency which would otherwise be wholly unproductive. The exemption from cash payments is a farther refinement, enabling bankers to hold, at the disposal of their customers, the chief part of their reserve fund; which, for the sake of precision, we shall consider a fourth of the paper currency in the country. Now, to keep the reserve fund as low as is compatible with security, has long been the wish of our bankers, and the object of a variety of arrangements; of these, the most remarkable is that by which they settle their daily balances against each other, amounting (Evidence to the Bullion Report, p. 151.) to the very large sum of 5,000,000*l.* daily, by an exchange of cheques,

* For farther arguments on the limited power of banks, see a pamphlet entitled "Observations on the Depreciation of Money;" also a second pamphlet, entitled "Farther Observations;" both published in 1811, by Robert Wilson, Esq. Accountant, and one of the Directors of the Bank of Scotland.

without having occasion to use more than a tenth of the sum in bank notes. Of the same nature, are certain facilities given at the Bank of England, in regard to the hour at which a banking house makes its payment for the day; as well as the employment of money agents or middle-men (Evidence, Bullion Report, p. 124.) in obtaining sums from one banker for another, at very short notice. These various modes of lessening the amount of a dead stock are both ingenious and legitimate, affording a striking proof of the advantages attendant on a great commercial community, on mutual confidence, and vicinity of position. A farther saving of this nature would have formed one of the leading features of Mr. Ricardo's "plan for an economical and secure currency." Now, the result, which, on a comparative small scale, was attained by these arrangements, was accomplished, *en grand*, by the Exemption Act; which, by one decisive provision, enabled bankers to dispense with the most expensive and anxious part of their business. So far as regarded circulation at home, its effect partook of the beneficial character of the economising expedients; its weak side was towards the Continent, and there accordingly was received the wound which proved the source of so much pain and disquietude after 1809.

Report of the Bullion Committee.—This document, the merits of which have been so differently estimated, may be read with interest even at present, when the subject has received so much additional elucidation, both from research and from events that have intervened. That its authors had deferred for a season the formation of their conclusions on a subject so new and complex, had certainly been desirable; but there seems no ground for the suspicions of their being actuated by party feeling: their labours give evidence of great research and solicitude for truth; while the imperfections in their reasoning admit of explanation from circumstances similar to those to which we have alluded in the text; in particular, the fact, that so much of the information now before the public was either unknown or very imperfectly disclosed to them. Thus, a witness of evident ability, and in the habit of very extensive discount transactions, gave (p. 124.) the following evidence:

"Do you know, in point of fact, whether such transactions as you have now described, were in practice previous to the suspension of the cash payments of the Bank?—Yes; they were.

"Do you know whether they were practised to a similar extent?—No; they were not.

"In what proportion, compared with the present time?—I cannot form any exact criterion.

"Can you state to the Committee, the cause of such difference?—I believe it to be on account of the increase of country paper, and also Bank of England paper.

"Can you form any idea what would be the consequence of reducing the amount of the circulating paper in the country, by refusing to discount so largely as at present?—A more steady and regular price of all commodities, with more confidence in all money transactions."

When a witness of such intelligence, in accounting for the augmentation of bill business, leaves out of consideration the effects of the increase of our population and productive industry from 1797 to 1810, we need hardly wonder that it should have escaped the attention of the Committee. The passages in the Report which treat of the principles of money and exchange, whatever, in short, can be termed an exposition of general principles, are equally remarkable for accuracy and clearness; those of a different character are to be found in the latter part (pp.23, 24.), and are open to censure, chiefly as implying a belief that the Bank had the means of *increasing its issues at discretion*, as if the public were wholly without the power of checking the circulation, a power so clearly illustrated by Mr. Bosanquet, in his "Practical Observations on the Report." Another serious error, or rather omission in the Report, is an inattention to the effect on the exchange of our subsidies and corn purchases. An admission is, indeed, made (p. 16.) in general terms, of the effect of political and mercantile transactions; but the impression conveyed by it is lessened by other passages (p. 21, &c.) in which the effects in question are treated as slight, and the result of the stoppage of American intercourse with the Continent is wholly passed over.

Of the extent of misconception conveyed by disseminating the opinion (Report, p. 23.) that the rise of prices was owing chiefly to our bank paper, some idea may be formed from one simple fact. The total rise of prices between 1797 and 1810 was not short of 30 per cent.; and of that, perhaps, not more than 5 or 6 per cent. was at that time attributable to the non-convertibility of our paper, so lately had the continental depreciation (Essay on *Money* in Napier's Supplement, p. 526.) begun to be felt at home. In this, we have the authority of an eminent bullionist, against the Bullion Committee itself. Still, the errors of the latter may be easily accounted for. The chief writer of the Report, however temperate, impartial, and likely to rise

in reputation, had his life been prolonged, was a stranger to the practice of business; and could not, from his youth, have had much acquaintance with the state of our money transactions previous to 1797. Of his coadjutors, one was a banker, never remarkable for clearness or accuracy; another, a man of undoubted ability, but at that time new, as he has himself admitted *, to questions of this nature. Accordingly, in historical and commercial matter the Report is very defective; no notice is taken in it of the pecuniary embarrassments of 1795 and 1796, arising from the double drain of specie for subsidies and corn; nor is the recurrence of these causes in 1799 or 1809 adverted to, although it was to them that we owed the chief increase of our bank notes. Nothing would have contributed so much to obtain the conviction of the mercantile body, we may say of the public at large, as a course of reasoning supported by facts. Such an inquiry, conducted with the candour that marks the Report, and was so conspicuous in the general parliamentary conduct of Mr. Horner, would have led to several very important conclusions; — to an estimate of the share in depreciation to be ascribed in the first place to the expenditure then making in Spain; next, to the corn imports then in progress from the Continent; and lastly, to the interruption of the trade of the United States. Had the effect of the last been proved to be considerable, the inquiry might perhaps have led to a most desirable measure — the repeal of our Orders in Council before the United States resorted to the alternative of war.

Questions at issue between the Opponents and Supporters of the Bullion Report. — The points most strongly contested between the opposite parties in the bullion question were two; — first, the cause of the fall of our exchanges; and next, the cause of the progressive enhancement of commodities. As to the former, the events of 1815 showed, beyond doubt, that the *primary* cause of fluctuations in the exchange was to be sought in continental transactions, however much the non-convertibility of our paper might affect the degree and duration of the fall. The second question is more complicated, and there is still no small difficulty in convincing the bullionists that the operation of our non-convertible paper was passive, and necessarily posterior to the rise of prices. They will not, however, refuse their attention to facts, or deny that a very general rise of prices took place prior to 1797; nor will they refuse to admit inferences from the case of the agriculturists, the class whose

* Huskisson on the Depreciation of our Currency, 1810.

circumstances operate most directly on the circulation of country banks. Observe the connexion between the prosperity of the one, and the circulation of the other. The continued inadequacy of our growth of corn rendered the war a period of activity in regard to inclosures, drainages, and other agricultural improvements: prices were carried to 30, 50, and in the latter years of the war to 100 per cent. beyond those of peace, requiring thus twice the sum to purchase the same commodities. Wages rose progressively; the style of living of the farmers, and even of their labourers, was visibly improved. Observe the reverse of the picture as exhibited in 1815 and 1816: prices and wages had fallen surprisingly; inclosures, drainages, and other improvements, were discouraged; the style of house-keeping on the part of the farmers was lowered, and a far smaller sum of currency was found sufficient for their transactions. In 1817 the high prices of corn brought back activity in agricultural improvements, and (see the Report of the Bank Committee of 1819) a renewed increase of paper currency. During the last three years the picture has been for the fourth time reversed; prices have fallen greatly, and with them the circulation of bank paper.

It would, we may with confidence add, be no difficult matter to apply the same reasoning to the prices of merchandize generally; all, or almost all, continued on the rise, so long as the war limited the number of our productive labourers; while all experienced a fall at the peace *before the reduction of bank paper*.

We thus consider our banks as following the course of circumstances, and as *taking no lead*, either in extending or contracting their issues. Those who think otherwise, and who regard our banks as both possessing and exercising the power of over-issue, are pledged to show how it happened that these potent associations did not thus act at much earlier period. Why did our banks defer, until 1809, that which they might have done in 1797, at all events in 1803? On referring to the Bullion Report we shall find (p. 25.) that this difficulty is noticed, but not explained; and that the Committee, in pointing out two periods of extended issue, at the distance of more than seven years from each other (1801 and 1809), were wholly unable to give reasons for the circulation remaining stationary during that long interval. Farther, if our banks possessed this lucrative power, why suspend its exercise at the peace of 1814, so long before the act for the resumption of cash payments?

Inefficacy of an Exemption from Cash Payments in Peace. — We proceed to address a few sentences in the same style to a very different class of persons; to those who, suffering under the depressed price of merchandize or agricultural produce, regret that the exemption from cash payments should not have been made a permanent part of our policy. These persons cannot be aware that in peace this exemption would be of very rare and limited operation: it was in existence during 1819 and 1820, yet our prices continued progressively falling; in other words, the value of money progressively rose. The exemption from cash payments was, then, in one point of view, unnecessary; in another, it was inoperative. That it was unnecessary, was shown by the ease with which discounts were obtained; that it was inoperative, appeared from our exchanges keeping at or above par. Yet so little is this understood, that in the debates on the subject in the House of Common (*e. g.* 9th April, 1821), the majority of our parliamentary guides attribute the great fall in prices to the return to a metallic standard; as if a state of peace and a favourable harvest were of little account, and the power of keeping up prices were actually vested in our banks.

Is it not apparent that in peace, when our exchanges are brought down by only one great cause, an occasional necessity for importing corn, the exemption from cash payments would be available only in a year like 1817, when the deficiency of the preceding crop led to a sudden demand on our neighbours, and when the exemption from cash payments would enable us to send abroad several millions of our metallic currency?

Mr. Peel's Bill. — The majority of the public yielding to first impressions, and unable to follow up an intricate course of reasoning, have ascribed to Mr. Peel's bill that re-action which arose from a more comprehensive cause; the transition from war to peace. As to the *present* effects of that bill, we can trace none of consequence, except the partial rise in the value of gold throughout Europe generally consequent on the large purchases of the Bank of England; while, as to its *permanent* effects, we can trace, so long as peace lasts, hardly any worth notice, except an obligation on that establishment to keep a large reserve in cash, and consequently to reduce its annual profits by 400,000*l.* or whatever may be the charge of providing and keeping that deposit. Country bankers, on the other hand, are subjected to little additional expense, continuing, by the act of 1819, now about to be prolonged, exempt from the necessity of paying in cash, if they tender Bank of England notes.

Those who ascribe our present embarrassments to Mr. Peel's Bill, and the resumption of cash-payments, would do well to consider that no legislative arrangement has the power of converting a banker into a capitalist. The object of the latter is to obtain interest for his money, without the trouble or hazard of active business; while a banker is necessarily a man of business, and seldom a man of large capital. His funds, arising chiefly from deposit, and being subject to sudden demands, must be vested in securities easily vendible, such as mercantile acceptances, exchequer bills, or government stock. Any deviation from this course, any advance of money made on land, houses, or property of doubtful sale, is at variance with the rules of his business, and never fails to be attended with embarrassment or loss.

Publications on Exchange; Correspondence of their Doctrines with the preceding. — The present age has been fertile in essays on the principles of exchange, among which, the most entitled to attention are; a series of remarks in the Bullion Report, (pp. 10, 11.); Mr. W. Blake's pamphlet entitled, "Observations on Exchange," published in 1810; and an essay by Mr. J. R. M'Culloch, under the head of "Exchange," in the Supplement to the Encyclopædia Britannica. The last claims our attention, not only as an able and comprehensive treatise, but as differing in its general tone from the arguments advanced in the text; a difference, however, which, on an attentive examination, will be found less considerable than it appears. Thus,

Mr. M'Culloch, in maintaining (p. 220.) that corn-purchases or expenditure abroad have no *permanent* effect on the exchange, does not deny that their temporary effect is great. Such is also our doctrine, as exemplified in the tabular statement in the text: the fall in our exchange was not permanent at all till 1800, nor permanent, in a high degree, till 1809; and in both cases, it became, after a certain time, nominal. Again, a fall in the computed exchange, when there is no exemption from cash payments, is recovered during the continuance of the pressure, but when such exemption subsists, the currency loses its reinstating power, and becoming depreciated, the exchange continues depressed until the re-action of causes, mercantile or political, restore the value of the currency. Of both we have had striking examples in the present age: the fall of our exchange in 1795 and 1796, was redressed in the end of 1796, and beginning of 1797, before the termination of

our subsidy to Austria, whereas the fall in 1800, and still more that in 1809, continued, until the conclusion of peace entirely altered the nature of our connexion with the Continent.

We have dwelt in the text on the fluctuations of the exchange in 1815, viz., on its sudden fall on the renewal of continental hostilities, and its no less sudden rise on the prospect of their termination. Both are evidently accordant with the general admission in the Essay in question (p. 220.), of the great temporary effects of foreign demand. They require, therefore, no farther notice, except as to the extent of the fall in April and May, 1815, which (nearly 20 per cent.) was very great, open as the Continent then was to our exports.

But does not this extent of fall furnish a strong presumption in favour of another part of our reasoning on this intricate subject, viz., our mode of accounting for the great and continued depression of the exchange during the years 1811, 1812, and 1813? The demands on us from the Continent, say the bullionists, were not great in these years; but admitting the correctness of Mr. M'Culloch's statement (Essay on Exchange, p. 222.), that our remittances to the Continent for corn and subsidies did not much exceed 2,000,000*l.* sterling in each of these years, we consider even that sum sufficient to continue the depression, England being then wholly exhausted of the precious metals, the counterpoising effect of the American trade removed, and our exports to the Continent greatly cramped.

In regard to another point, the diminution of country bank paper, which took place in 1815 and 1816, we agree with Mr. M'Culloch as to the fact, and are not disposed to dissent from his estimate of the extent of the reduction: the difference lies in our considering this reduction as *posterior* to a fall of prices, exactly as we consider the augmented issue during the war, and in 1817 as posterior to their rise.

Lastly, as to the extent of depreciation arising from the exemption act. That the unfavourable balance of exchange from 1809 to 1814 was chiefly nominal, and that in regard to continental payments our bank paper was depreciated to the extent denoted by the course of exchange, we readily admit. But as the use of our bank paper was to circulate commodities at home, and as the rise of prices consequent on its continental depreciation was by no means immediate, we have, we conceive, made a fair allowance in taking the average of home depreciation at somewhat

more than the half of the foreign; meaning, that if in Spain or Germany 125*l.* in notes were required in 1812, to pay for that which might have been purchased for 100*l.* in metallic currency, the proportion at home was probably 10 per cent. less; 115*l.* in notes purchasing what, without the exemption from cash payments, might have been had for 100*l.*

Changes in the Value of Money. — Our readers will now be able to form a definite idea of what is meant by a fall or rise in the value of money, an expression by no means acceptable to anti-bullionists, but which can hardly be avoided by an impartial narrator of the fluctuations of the age. The fall of prices since the peace has been very different in different articles; for while in the produce of the soil it is above 70, and in several branches of manufacture above 50 per cent., in the case of house-rent, or the wages of mechanics, it probably does not amount to 20 per cent. But the business of the statistical enquirer is with the average, which is, doubtless, from 30 to 40 per cent. on all payments determined by free competition; in other words, in all articles brought to open market. In payments of a different nature, such as professional fees, salaries, servants' wages, the decrease is as yet inconsiderable; because in these there exists no ready appeal to competition, no prompt means of overcoming the opposition to reduction. In London, journeymen in various trades are, in consequence of their system of combining, still in the receipt of 5*s.* or 6*s.* a day, as in the season of war and expensive living; but such a state of things must obviously be of short duration. The fall of provisions, the example of other countries, the diminished profit of capital, all point to the necessity of a change, and will eventually overcome resistance, whether on the part of the lower orders, or of the receivers of pensions and salaries, in whom, possessing as they do better means of information and comparison, pertinacity in retention would be more reprehensible. As such reduction therefore will, in all probability, become general, and the words, "fall of price," are too limited to express a decrease of such incomes as arise from personal exertion, we adopt the more comprehensive phrase of a "rise or fall in the value of money."

APPENDIX

TO

CHAPTER V.

On Agriculture.

Limited Operation of our Corn Laws.—Having explained in the text the rapid fluctuations of our market, it is natural to enquire about the operation of our corn laws, and to ask, whether they afforded, on such occasions, any temporary relief to our agriculturists; that is, whether they contributed to make at all gradual that which political circumstances tended to render so sudden? During the war, our corn laws were, as we have seen, almost always inoperative. At the peace the old limit (66*s.* for wheat) was allowed to remain in force for a year, and import continued until March 1815, when the limit was raised to 80*s.* At present the only question of interest connected with these transactions is, what would have been the situation of our agriculturists had the 66*s.* continued, and no advance been made in our import limit? The difference would, probably, have been far less than is commonly supposed.

In the first place, prices during 1815 were so low, that import would have been out of the question, even under the old act; while, in 1816, the failure of the harvest was so great, that our new limit, high as it was, was surpassed, and our ports opened in November. Import continued on a very large scale during somewhat more than two years; but as it was stopped when our market had fallen very little below 80*s.*, it may seem somewhat paradoxical to advance, that the result would have been nearly the same had import been allowed, until it had fallen to the old limit of 66*s.* Our reasons, however, are,—

1. That the quantity poured in during the four or five months previous to closing the ports in February 1819 was extravagantly large, and would evidently have been less had the law been such as to allow the corn-merchant to take time and calculate maturely.

2. That as to the years since 1819, a reduced import limit would certainly not have raised prices, but at the same time it would not have lowered them materially, the continental markets having been, during 1819 and 1820, less depressed than is generally supposed, and the great fall taking place only in 1821.

3. Had our limit been 66*s.* instead of 80*s.*, labour, working cattle, manure, and the other charges of the farmer would never have risen so greatly in 1818; and our agriculture would have known only one great transition — that which immediately followed the peace.

Effect of increasing Population on the Price of Corn. — The reasoning in the text enables us to correct a very material part of the Report of the Agricultural Committee. The writers of that Report, in adverting (p. 11.) to the chance of a future deficiency of harvest, advance an opinion that the magnitude of our consumption, as compared with that of former periods, must render the pressure of deficiency more severe, and the means of providing against it more difficult.

"A harvest," they add, "which should be one-third below an average in wheat, would bring on this country a very different degree of suffering, and would require a very different degree of exertion and sacrifice, to supply the deficiency, from what would have been required under a similar failure fifty years ago." But to this opinion of the committee we must oppose a recent and highly important fact; viz. that though the harvest of 1816 was (Evidence of Mr. Hodgson, p. 264.) a full third below the average of our wheat-crop, yet the degree of public suffering was *less great* than would have been experienced under a similar failure fifty years before. For this there are several reasons:—

1st. If the agricultural part of our countrymen increase their numbers in proportion to the consumers; if the amount of produce depend on the extent of labour and capital applied to cultivation; and if a recourse to the inferior soils mentioned repeatedly in the Report (and in Mr. Ricardo's well-known work on Political Economy and Taxation) be far less necessary than an improved cultiva-

tion of the better soils; we stand nearly in the situation of our forefathers, and find the prospect of adequacy of supply very little affected by the increase of our numbers; because that increase brings with it the power of augmenting our labour, and, consequently, our produce.

2dly. If such be the case at home, the chance of relief from abroad is decidedly improved, since the extension of tillage in the course of the last and present age. The surface of corn country in Europe, we mean of country producing corn in sufficiency for export, was formerly far from large; comprising only Great Britain, Ireland, the North of France, and North of Germany, with part of Denmark and Poland. We have explained in the text (p. 149.) the similarity of temperature prevalent throughout this tract, which is almost all maritime, and presents no very material difference of latitude. Hence a deficiency of crop, whether arising from blight as in 1811, or from excess of rain as in 1809 and 1816, was more or less common to the whole. But in the last and present age, tillage has been extended in the interior of Poland, and on the shores of the Euxine; countries differing considerably from ours in climate, and not likely to be affected by the causes which create disappointment in the north-west of Europe. As yet, the produce in these countries is far from large, but the improvements now taking place in river navigation bid fair to facilitate the access to several fertile tracts hitherto in a manner excluded from communication with the sea. Add to this, that a similar prospect is presented by the increased cultivation of the United States of America. To expect a very extensive supply from either would, on account of the distance, be absurd; but in a year of scarcity, an import to the extent of only a week or a fortnight's consumption has a very sensible effect on our corn market.

It follows that the result, in the present age at least, is very different from the anticipation of the committee. The progress of improvement, and the extension of communication between different countries, which are the accompaniments of augmented population, have a very beneficial effect on the supply of corn: they widen the range of purchase, enable one nation to come to the relief of another, and convert into the mitigated form of scarcity those failures of harvest, which, in remote ages, were followed by all the horrors of famine.

National Disadvantage of a high Price of Corn. — After all the proofs we have given of the vital importance to the

country of the prosperity of agriculture, we may, without suspicion of under-rating that importance, subjoin a few remarks on a subject at present very seldom mentioned:—the evils that would attend a price of corn materially higher than that of our neighbours; we mean a price between 70*s.* and 80*s.* a quarter, while that of France, the Netherlands, or Germany was at 45*s.* or 50*s.* The war closed with so much success in a political sense, with so great an appearance of national triumph, as to blind us for a season to our load of taxation, and the embarrassment consequent on high prices. The disadvantage of the latter was, indeed, shown in part by the emigration of half-pay officers, annuitants, and persons with large families, who drew their income from this country and expended it abroad, giving to our neighbours the stimulus arising from reproduction, and subjecting England to an injury of the kind so long inflicted on Ireland by her absentee proprietors. The amount thus drawn by emigrants and travellers has been, we believe, moderately computed, for some time, at 5,000,000*l.*, at present at 4,000,000*l.* a year; but how much greater would it have been had a continuance of high prices induced master manufacturers, or their workmen, to seek an establishment on the Continent? Those of our countrymen, who have travelled since the peace, remark, and apparently with justice, that continental manufacturers are as yet far from formidable; but they fail to take into account the surprising change that might be, or, to speak more correctly, might have been effected by a transfer of British capital and master-workmen. With these potent aids the inhabitants of Normandy, the Netherlands, or the banks of the Rhine, would soon become dangerous rivals, for we ought steadily to keep in mind that our superiority, as a nation, *lies not in the individual, but in our establishments; in the operation of collective bodies:* as workmen, our neighbours would soon attain an equality, were they placed on a par with us in regard to machinery, and the division of employment. Their merchants have not, it is true, the capital necessary to give long credit to customers, such as the Americans; but that want would have been supplied by our exporters, who, whether they emigrated personally or not, would have made a point of purchasing goods in those towns or districts of the Continent, where they could have been most cheaply manufactured.

Would our government have possessed any means of counteracting the tide of emigration? None: if our corn-market had been kept at an exorbitant height, the tide

would have flowed in various directions, according to the respective advantages of particular situations. One part of the Continent possesses mines of iron, another mines of coal, a third abounds in timber, while several tracts of coast approach to ours in the number and capacity of their sea-ports. Happily no part of the Continent could offer these advantages collectively, so that although inquiries were made and calculations formed by many of our speculative men, no emigration of consequence took place among our labouring classes, and the present prices of the necessaries of life among us seem to remove such unwelcome enterprizes to an indefinite date.

In reasoning on the means of supporting the lower orders, we have not laid stress on the effects of spade husbandry, of deep ploughing, or other agricultural experiments described in late publications. Nor do we dwell on the practicability of subsisting an increased population by the more general use of potatoes, although, in 1817, a case in point was established by the French government, who recommended in public orders the more general cultivation of that root: and it is a curious fact, that it is since the greatest increase of the population of Ireland that her export of corn has become large. Our object, however, is not to dwell on the means of reducing the expence of subsistence; it is merely to show that increase of population *has no necessary tendency to raise it.*

And here we must remark, that, in general, our wish is less to press a particular opinion in regard to our agricultural prospects, than to shew the uncertainty of many of the allegations advanced of late years with so much confidence. After the revolutions we have witnessed in statistics as in politics, it would be idle to attempt predictions either as to the value of our money, or the extent of our produce. In this season of profound peace, agriculture occupies a very large share of the national capital and ingenuity: discoveries and inventions are successively occurring to modify established methods and alter received opinions. Take, for example, the subject on which so much was urged in parliament last session, — the demand of a high protecting duty. No one can say that our growth will not, during peace, continue adequate to our consumption; and if it does, what will have been the use of these protracted discussions, and where will be the advantage so confidently promised to our farmers from that source? From these various considerations, ought we not to conclude, that the only safe course is to be guided as far as circumstances at all permit,

by general principles, expecting little from any deviation, however plausible, and calculating that in the price of our produce, as in other results, this country cannot long differ from the civilized world at large? This naturally leads to a brief notice of the

Arguments in Favour of a free Trade in Corn. — Without any wish to discuss this question at length, we lay before our readers the opinion of several well-informed writers. —Extract from a pamphlet entitled, "Observations on the Commerce of Grain, by Dugald Bannatyne, Esq. Secretary to the Chamber of Commerce of Glasgow," 1816.

"All great authorities," (says Mr. B., p. 10.) "were in favour of a free trade in corn, until Mr. Malthus demanded the same protection for the home grower of corn, as for the home manufacturer of particular commodities: but these manufactures (such as lace and silk) are productive of no benefit to the public, being all carried on in contradiction to natural and inherent obstacles, while our labour and capital would find a more beneficial direction, if transferred to the woollen, cotton, hardware, or other branches; in which, particularly in the latter, we possess local and permanent advantages over our continental neighbours.

"It seems extraordinary, that we should be so much alive to the advantages we gain from the division of employment in the prosecution of our home industry, and not see the benefit to be obtained from the more extended division of employment in the case of nations; a division pointed out by the separate facilities for carrying them on, which, from climate, soil, or natural productions, different countries possess. By keeping up the price of corn, we oblige ourselves to labour in our manufactures at a great disadvantage, when compared with other nations."

Extract from a pamphlet, by Major Torrens, published also in 1816, and entitled, "Letter to Lord Liverpool on the State of Agriculture."

"To any persons who will either investigate first principles, or recur to the experience of countries which, like Holland, have given freedom to trade, it must be evident, that this natural state of things is greatly preferable to any artificial system which can be substituted in its stead. As we extend the area from which subsistence is drawn, the inequality in the productiveness of the seasons diminishes. Hence when, under a free intercourse, a deficient harvest

required an unusual import, abundant harvests in some other country of the world would supply the deficiency by an extraordinary export. On the other hand, a succession of unusually abundant years could occasion no deep depression in our markets, because this extraordinary quantity of corn of home growth could not (as when abundant harvests occur in the case of a country forcing in average years an independent supply) much exceed the consumption of the season."

To these opinions we add that of Mr. M'Culloch, who has inserted an Essay on the Corn Laws, in the same work as his Essay on Exchange, viz. the Supplement to the Encyclopædia Britannica. After regretting that the corn trade was not definitively laid open in 1815, a time when as at present, our prices were so low that our agriculture had, in a manner, felt all the evils of transition, and the public would have reaped the greatest advantage from a return to unrestricted freedom, Mr. M. adds,—

"When this happy event" (a free trade in corn) "shall have taken place, it will be no longer necessary to force nature. The capital and enterprise of the country will be turned into those departments of industry, in which our physical situation, national character, or political institutions fit us to excel. The corn of Poland, and the raw cotton of Carolina, will be exchanged for the wares of Birmingham and the muslins of Glasgow. The genuine commercial spirit, that which permanently secures the prosperity of nations, is altogether inconsistent with the dark and shallow policy of monopoly. The nations of the earth are like provinces of the same kingdom—a free and unfettered intercourse is alike productive of general and of local advantage."

Political economists are more accustomed to deal in general reasoning, than to analyse the circumstances of a case, or to go through the details necessary to the suggestion of a specific remedy. This blank we shall now endeavour to supply, and, by way of supplement to the preceding arguments, add a sketch of the preliminaries indispensable to freedom in our corn trade. By these we mean the exemption of our agriculturists from such burdens as press on them either exclusively, or in a greater degree than on the rest of the public. Thus:—

Computation of Poor Rate and Tithe.—Of the sums levied for rates in England and Wales, the average annual amount will probably be, ere long, reduced to

Highway rate, county rate, church rate	£1,200,000
Law suits, removal of paupers, and expence of parish officers - - - - - -	300,000
Maintenance and relief of the poor, after assuming a large reduction of the present charge - - - - - - - -	4,500,000
In all -	£6,000,000

Of this amount what part bears exclusively on agriculture? To calculate that we begin by excluding

1. The proportion that appears to be raised in towns, including smaller towns than those mentioned in the Poor-rate Committee of 1821, p. 13, and referring to the assessment of 1815, in which a distinction is made between the contribution of landholders and householders - - - - - -	£1,500,000
2. A large sum, which in fact is but *nominally* paid by the agriculturists, the wages of country labour being lower than they would be without the rates: this sum we estimate conjecturally, in war at 2,000,000*l.*; in peace at - - - - - - - - -	1,000,000
Remainder, being the *actual* burden on agriculture arising from rates, including county rate, but supposing the whole on a reduced scale - - - - - - - -	3,500,000
Total, (agreeing with the preceding)	£6,000,000

Now, were all classes equal contributors to the rates, the quota of the land would be only a third, or 2,000,000*l.*, making a deduction from the 3,500,000*l.* of - -	1,500,000
Next, as to *Tithe*.—Amount of tithe of England, Wales and Ireland, computed at the present low price of produce, including tithe paid to laymen, about - - - 4,000,000*l.*	
If tithe also were rendered a national burthen, the land ought to pay only a third (less than 1,500,000*l.*) which would form a deduction of fully - - - - - - - -	2,500,000
Total deduction that would then be made from the burdens on agriculture - -	£4,000,000

It is a remarkable coincidence that this sum (4,000,000*l.*) is nearly equivalent to the excess of the burdens on British over those on French agriculture. See the text, p. 169.

As our allowance of 4,500,000*l.* for the poor may appear below the mark, we shall compare it with the rate as it stood before the late wars:—

In 1792 our poor-rate, exclusive of law expences, and of highway or county rate, amounted to about - - - - -	£2,000,000
Add an increase of nearly 50 per cent. proportioned to the increase of population -	1,000,000
Add farther for the greater embarrassment of the present time, and for abuses introduced into the system - - - - -	1,500,000
Total -	£4,500,000

Tithe: Mode of computing its present Amount. — Our estimate is founded on the property tax returns for the year 1812, (Nos. 248 and 250 for 1814-15.) Viewing the question historically, we find a very close connexion between the increase of our population and the increase of our tithe. As there are no means of ascertaining the amount of our agricultural produce, our reference must be to the increase of consumers, and though our population returns go no farther back than 1801, we may with tolerable certainty compute the total addition to have been nearly 50 per cent. on our numbers as they stood in 1792. In fact, were we possessed of a correct return of tithe for that year, we should calculate its present amount by merely adding 50 per cent. to such return; for the prices of produce being now similar to those of 1792, the comparative estimate becomes narrowed to a calculation of quantity.

Rent. — Can we with any confidence observe a similar rule when calculating the progressive increase of rent? There the connexion between augmented produce and augmented payment is less apparent than in the case of tithe: yet it would be obviously vain to attempt another mode of computation, we mean one founded on the extent of additional surface brought into tillage, the 50 per cent. added to our produce in the last thirty years being raised with an addition of probably less than 15 per cent. to the number of acres under corn culture, and having been chiefly the fruit of the additional labour and improved methods applied to the surface previously under the plough. The extension of tillage over inferior soils is rather an index of

augmented rent, than a basis for its calculation: the latter we should seek by preference in the new methods discovered, the old that are improved, the consequent abridgment of labour, and the additional quantity of corn produced at the same expence; for the effect of all improvements, whether they ameliorate quality or augment quantity, is to cheapen production: they are otherwise not entitled to the name of improvements.

What, it may be asked, is the benefit to the nation from such improvements? The power of supporting an additional population on the same territorial surface. — And what is the advantage to the proprietors of that surface? An increase of rent which there are, it seems to us, various reasons for calculating in proportion to increase of population. Were the number of consumers stationary, the result of agricultural improvements would be a fall of market price: with an increase of consumers, the result is the maintenance of price and the rise of rent. If the surface which, a century ago, produced wheat for the support of two millions of inhabitants is now sufficient to maintain twice the number, the price of wheat being the same, we shall probably deviate little from the truth in assuming that, in the natural course of things, the rent also ought to be doubled; and that any excess or deficiency in this proportion of increase is to be sought in causes temporary, peculiar, or in some cases, little more than ostensible.

How far is this confirmed by historical evidence? It seems to have long been the case in France, a country where corn still sells for the price it fetched a *century and a half ago*, and the agricultural history of which is comparatively simple, being unembarrassed by fluctuations in the value of the currency, or by insufficiency in the average growth for the average consumption. But even in England, commercial and manufacturing as she is, the proportion between increase of population and rise of rent will be found to hold in a considerable degree. It might be traced, were our documents complete, during the long period from 1650 to 1792, throughout which the price of corn bore, with casual and temporary exceptions, a character of uniformity. Even in the present age, we should not despair of finding a confirmation of our rule, could we succeed in clearing our calculation of the perplexing distinction of paper and coin, of peace and war prices. Such an attempt might, some years ago, have been ridiculed; but at present the nominal part of the increase has disappeared, and left us with the prices of 1792, along with a discovery in regard to rent not

a little at variance with the high-flown language of those who saw in the war a source of unparallelled wealth; viz. that the present rental of the United Kingdom is, or soon will be, little more than 50 per cent. above that of 1792, or 36,000,000*l.*, instead of 24,000,000*l.*, its supposed amount before our rupture with France.

This sober result, if it fall below the sanguine expectation of those who still cling to high prices, and still put faith in the efficacy of corn laws, leaves, on the other hand, a rise fair and legitimate. And the principle of calculating the future rise of rent by the increase of our numbers seems to be fair to both parties. Our landlords certainly would have no reason to complain of it; for it presents to them the cheering prospect of being not only permanent but progressive.

Reverting to the question of burdens on our agriculture, we shall leave the land-tax for the present out of the question; but cannot forbear adding a few words on a topic closely connected with the freedom of productive industry, we mean the *increased use of salt in agriculture*. If there be any accuracy in the arguments of the late Sir Thomas Bernard, and of several others who have written on the subject, how sensible must be the benefit to our farmers and graziers, now that government has given the means of so decided an extension to the use of salt, either as a manure or for feeding cattle. Our inland navigation will enable us to profit largely by the relaxation; and the injury to the revenue in one sense will, we trust, soon be compensated by benefit in another, since the only solid basis of taxation is the extension of the national industry.

There is thus little or no doubt that were our farmers relieved from their extra burdens, they would be enabled to raise produce on as low terms as our continental neighbours, and might, ere long, allow the public to reap all the benefit arising from unrestricted freedom in the corn trade. For the present, however, we consider unrestricted freedom as wholly out of the question, and shall confine our speculations to the effect of relaxation; of a protecting duty on a moderate scale.

Comparative Burdens on British and Foreign Agriculture. — Abstract of the evidence before the Agricultural Committee (April and May, 1821) of Mr. Tooke, partner in a mercantile house extensively connected with the Baltic.

Mr. T., aware how greatly the untravelled part of our countrymen over-rate the cheapness of foreign countries, laid before the Agricultural Committee (Evidence, p. 224.) tables of the prices of wheat from 1814 to 1820, at Petersburgh, Riga, and Archangel; the result of which is, that it could seldom, in these years of peace, have been delivered in an English port for less than from 50*s.* to 60*s.* a quarter. At Odessa the price is occasionally very low, but the freight to England is high; and the hazard of damage on so long a voyage is such as to put that port almost out of the question for the British market. And as to another point, the amount of supply to be expected from the Continent at large, Mr. T. concurs with Mr. Jacob, (Evidence, pp. 232. 360.) that it is in general over-rated.

In regard to our own agriculture, Mr. T. differs materially from those who imagine that a continuance of the present low prices would throw much land out of cultivation. As a fall in the price of corn necessarily reduces the cost of production, he sees no great reason (pp. 232. 288.) why we should not, as half a century ago, raise corn *as cheaply, or almost as cheaply, as on the Continent*, particularly now that the agriculture of Ireland is relieved from restraint.

Mr. T. is also the only witness who brings forward (p. 288.) an argument which we have been at pains to enforce in the text, viz. that an import limit, if high, would induce extended cultivation, and prove injurious to our farmers. We have his concurrence, likewise, in another important point, in accounting (p. 344.) for the great fall in the price of commodities since the peace, less by a recurrence to cash payments, than by the application of a great addition of labour and capital to productive purposes. Lastly, he is favourable to a protecting duty on corn, provided (Evidence, p. 297.) it be no greater than the direct taxes that operate on our own production.

The opinion that our corn is likely to be raised at a rate nearly as cheap as on the Continent (between 50*s.* and 60*s.* the quarter) has a claim to particular attention; and we proceed to enquire how far it is confirmed by a consideration of either our past or present circumstances.

The last Century. — If in the history of our corn trade we go back sufficiently far to reach a period of profound peace, we shall find little reason to expect that in such a season our prices can be kept much above those of the Continent. Throughout the hundred years that elapsed between the accession of Charles II. and George III., corn was as low,

or nearly as low, in England as in France, the Netherlands, or other adjacent parts of the Continent. After 1764, the case was different; but of the 10 or 12*s.* of additional price per quarter obtained in this country, the half may safely be ascribed to temporary causes; we mean the American war, the extension of our manufactures, and the general aversion to vest capital in farming, after the discouraging experience of the preceding age. But our taxation, it may be said, is much greater, compared to that of continental countries than it was in the last century, and France is now exempt from tithe; — important considerations certainly, but balanced by others of great weight on our side; the fact that the tillage of Ireland is no longer in fetters, that our machinery and implements have received much more improvement, our inland navigation a much greater extension than that of our neighbours. The advantage of all these to agriculture can be appreciated by those only who have seen the wretched roads, the clumsy implements and vehicles of the Continent, or who have duly weighed the cheapness of our canal carriage, by which salt, manure, or bulky commodities generally, can, in many parts, be transported ten or fifteen miles at the insignificant charge of a shilling a ton.

Our present Prospect. — The arguments in favour of Mr. Tooke's opinion derived from our present situation are as follow :—

1. During the war, rents rose without care or exertion on the part of our landlords; at present land affords a rent of consequence only when cultivated with skill — the most substantial of all arguments for the diffusion of the improved husbandry.

2. The evils that now bear so hard on our agriculture are evils of transition; the degree of pressure will be materially different when farming charges shall have been reduced (as reduced they must be) in proportion to the market price of corn.

3. As to the comparative burdens on our agriculture, and that of other countries, we have in the text taken France as a fair specimen of the Continent generally: if in Poland and Russia the burdens are less heavy than in France, husbandry, as an art, is far more backward, and the charge of freight to England is heavier. A reference to the passage (p. 165.) containing the comparison with France, will much simplify the present statement, enabling us to leave out of the question the advantage of cheaper labour on the part of the French, and on ours of better machinery, lower interest of money, a more advantageous size of farms,

&c. After enumerating the respective burdens, we found the difference confined to a portion of our excise duty on malt, beer, and corn spirits; a difference which when, as at present, the corn laws are in a manner inoperative, left a sum of about 4,000,000*l.* to the disadvantage of our countrymen. This difference forms a charge of 7 or 8 per cent. on the rental of our landlords, and the income of our farmers taken collectively.

Supposing that the effect of a protecting duty is merely to keep our market from 5 to 10*s.* a quarter above that of France, or the Netherlands, as was the case during the period preceding the war of 1793, would there, in the event of so slight a difference, be reason to apprehend that English capital would find its way abroad, and be applied to the extension of culture on the Continent, with a view to import into this country? To such a question our answer two years ago might have been in the affirmative, but our charges are now so much reduced, and the advantages of Ireland in regard to cheap labour, command of water communication, and fertility of soil, are found to approach so nearly to those of the most favoured tracts of the Continent, that we much doubt whether any transfer of capital would take place to the latter, particularly as on referring to the evidence annexed to the Agricultural Report we find (p. 364) that the cost of raising a quarter of wheat in Prussia or Poland, including the conveyance to Dantzic, but exclusive of rent, is about 36*s.* the quarter, an expence little greater than the cost of raising it (p. 335.) free of tithe or poor rate, in East Lothian.

Next as to the storing or warehousing of foreign corn, with a view to import. The interest of the money vested in the purchase of corn forms so material a part of the annual charge of keeping it in granary, that a large saving might apparently be made by purchasing in remote countries like the interior of Poland or the south-west of Russia, where the average price of wheat is not above 30*s.* and in some years (Evidence, p. 364), lower. At present such a course is out of the question, the inland provinces in these countries being unprovided either with proper warehouses, or with the means of giving security to deposited property. Were these defects supplied by the erection of suitable buildings in a town adjacent to a navigable river, and by the protection of a military guard, a large supply of corn might be warehoused in cheap years, and, on the occurrence of a rise, sent to a market in this country or elsewhere. The transport to Dantzic or Odessa, added to the

freight from Dantzic to England, or from Odessa to the south of France, might be averaged at 20*s.* the quarter, carrying the total cost, when brought to market, to somewhat more than 50*s.* exclusive of our protecting duty.

Next, as to our prospect of supply from the United States of America.—The great distance of that country from Europe has long led to the practice of shipping their produce in the form of flour, rather than of grain; thus accomplishing a saving in freight, and avoiding the shifting and heating to be apprehended in a long and tempestuous passage. Among other recent discoveries, we are apprized (p. 437. *Revue Encyclopedique*, for August 1821, printed at Paris,) of a method of preserving flour during several years in perfect condition, by means of air-tight casks; but whether the expence of this or other methods of the kind be not too great for the chance of profit, remains to be ascertained.

Compared to these, what means are possessed by our own agriculturists in regard to keeping over corn, and making the plenty of one season conducive to the supply of the next? They have the command of better buildings; they pay a lower interest on capital; and are exempt, in a great measure, from the charge of conveyance to market: their chief disadvantage lies in the prime cost of their produce.

Those who are inclined to subscribe to the efficacy of some lately promulgated methods of penetrating more deeply into the soil, whether by the plough or spade, may consider the Continent likely to benefit more largely from them in consequence of its cheaper labour, its greater agricultural population. But in any improvement arising from such a process, this country can hardly fail to share equally, superior as we are in horses, ploughs, and iron-work generally; while, in regard to labour, Ireland is as cheaply and abundantly supplied as any part of the Continent.

Probable Amount of Import.—A low duty would doubtless prevent any considerable rise in our corn market; but it by no means follows that our tillage would be much circumscribed, or that the amount of our import would be large. Of barley, our growth is in general equal to our consumption: an import to any extent takes place only in particular years, and after seasons unfavourable to this kind of grain, such as the summers of 1816 and 1817. In oats the case has hitherto been different, our growth being habitually below our consumption, and large imports being

required both from Ireland and the Continent: the amount has varied, of course, in different years, but has not for a long time averaged so little as half a million of quarters from either. In future our import of oats, at least in peace, is likely to be confined to Ireland. Of beans, pease, and rye, our growth is in general adequate, and our imports insignificant: but in regard to wheat, our imports, until lately, were regularly on a large scale. At present such is not likely to be the case, except on the accidental occurrence of an indifferent season.

What appears to be the average growth of corn of all kinds in Great Britain and Ireland? According to Mr. Colquhoun, it seems in 1812 to have been, including the corn used as seed, about 40,000,000 of quarters, to which may be added for increase in the period that has intervened about 20 per cent. or 8,000,000 of quarters. In reasoning on years to come, with the prospect of a progressive increase, we shall not greatly err in taking our growth at an average of nearly 50,000,000 of quarters, of corn of all kinds. Then, as to import—now that we are in the enjoyment of peace, and possess so ample a command of capital and labour, we may calculate our average demand for foreign corn at a very moderate amount; not more perhaps than a million of quarters of grain of all kinds, or 2 per cent. on the total of our annual growth.

"All undue protection to Agriculture," says Mr. Ricardo in his pamphlet on Agriculture, (p. 81.) "should be gradually withdrawn. The policy which we ought, at this moment of distress to adopt, is to give the monopoly of the home market to the British grower till corn reaches 70*s.* per quarter. When it has reached 70*s.* all fixed price and system of averages should be got rid of, and a duty of 20*s.* per quarter on the importation of wheat, and other grain in proportion, might be imposed.

"This change would do but little in protecting us from the effect of abundant crops, but it would be greatly beneficial in preventing an unlimited importation of corn when the ports were opened. Under the payment of a fixed duty corn would be imported only in such quantities as it might be required, and as no one would fear the shutting of the ports, no one would hurry corn to this country till we really wanted it. Against the effects of glut, caused by an unlimited supply from abroad, we should be then amply protected.

"This measure, however, although a great improvement

on the present corn law, would be very deficient if we proceeded no farther. To establish measures which would at once draw capital from the land would, under the present circumstances of the country, be rash and hazardous, and therefore I should propose that the duty of 20*s.* should every year be reduced one shilling, until it reached ten shillings. We should also allow a drawback of seven shillings per quarter on the exportation of wheat, and these should be considered as permanent measures.

A duty of ten shillings per quarter, on importation, to which I wish to approach, is, I am sure, rather too high as a countervailing duty for the peculiar taxes which are imposed on the corn grower, over and above those which are imposed on the other classes of production in the country; but I would rather err on the side of a liberal allowance than of a scanty one."

Ought a Protecting Duty to be suspended in a dear Season? —However adverse in general to high prices, we are by no means inclined to give this question an affirmative answer. The temperature which causes a partial failure in England being likely to prevail throughout the north-west of Europe, can hardly fail to raise the corn market in the Netherlands, the Danish dominions, and the north of Germany, in the same manner, though not in an equal degree, as in this country. Prices may thus be brought, by a natural course, to the limit at which the protecting duty ceases: if not, a suspension of it would be impolitic, as well from the general inexpediency of tampering with an established law as for another reason, viz. that a rise of price does not (Evidence, p. 36.) in a year of deficiency form an equivalent to a farmer for short quantity; he can be indemnified only by the continuance of the advanced price during the succeeding year. To that he is fairly entitled: to deprive him of it by a suspension of the protecting duty, would be to cast on tillage a discouragement similar to what it has experienced from unlimited import under the corn law of 1815.

But in what manner, it may be asked, should we then lessen to the poor the pressure of a dear season? By charitable contributions; which, when limited to an interval of real want, have few or none of the bad consequences of an established poor-rate. And in what way are the public indemnified for taking this burden on themselves instead of suspending the protecting duty? By the moderate rate at which that duty ought to be fixed.

To these observations we subjoin the opinion of a writer who differs in many points from the political economists of the school of Smith.

Observations of Mr. S. Gray on the Corn Trade. — Mr. G. has given in the papers added in 1819 to his work, entitled, "The Happiness of States," an opinion (pp. 34, 35.) on the corn trade, similar in most points to that of the Agricultural Committee. He always considered our late corn law as likely to make importation affect the home price suddenly or violently; while a protecting duty would make it flow in a gentle stream, tending to keep prices fair, and affording to the revenue a sum which might enable government to lessen the assessed taxes. He is an advocate for a free and unrestrained trade in corn, but only when the intercourse of nations is in other respects free and unrestrained. A protecting duty would both render our prices more steady and induce the foreign cultivator to look to England as a market, on certain conditions; according to which he would regulate his purchase of our colonial goods and manufactures. This opinion proceeds from a writer by no means inclined to regard low prices as a public advantage, but who considers (Happiness of States, p. 665.) fluctuating gains as highly pernicious, tending to raise rents and labour extravagantly, and to produce a premature change in the style of living. The true interest of the farmer is in a steady price, tending to rise gradually with the national improvement, and proportioned consequently to the prices of other commodities.

Tenants on Lease, and Debtors on Mortgage. — The case of a tenant on lease, on the occurrence of a rapid fall of prices, is peculiarly hard; the evil overtakes him in all its extent, while the relief is but partial, the grand charge of rent remaining unadapted to the altered state of things. He must in the first instance lay his account with a sacrifice of part of his capital, with refunding the gains arising from the previous depreciation of money. This, it must be confessed, is but fair, since the profit arising during the war from depreciation was reaped chiefly by the tenant. But after a certain period of suffering, a liberal landlord will consider what is due to equity, and what in many cases, where the covenants of the lease are not drawn in the anticipation of such a change, is necessary to prevent injury to his land. An exception from this course, an example of unrelenting rigour in enforcing the payment of an ex-

orbitant rent, would appear to justify an appeal to a court of justice.

Debtors on mortgage are, in like manner, heavy sufferers, their means of payment generally diminishing as the value of their money debt increases. They have, however, in one respect a substantial ground of hope; the prospect of reducing their interest to 4½, and some time hence to 4 per cent.

Interference by courts of justice.—During the half century from 1764 to 1814, the change in the value of money was all on the opposite side, commodities tending to a rise: gradual, and almost imperceptible during thirty years, it was after 1794 so regularly progressive, that in the course of twenty years 160*l.* became equivalent to only 100*l.* of 1794. During the latter years of the war, annuitants, and the landlords who had granted long leases, received hardly two-thirds of the original value; yet no appeal on the ground of depreciated currency was brought before parliament or our courts of justice. Any attempt of that kind in parliament would have been resisted by government, partly from an aversion to interfere with private contracts; more from a solicitude to prevent the public attention being fixed on the depreciation then going on in the greatest of all debts, that of the nation.

Since 1814 we have had a reaction, and of so rapid a nature, that 100*l.* are or soon will be equal to 140*l.* at the close of the war. How, it may be asked, does this sudden change affect the question of judicial interference? In equity, there can be little doubt that all engagements ought to continue payable in money of the value at which they were contracted: the objections to interference arise, therefore, from considerations of expediency; from a dread of litigation among individuals, and a still greater dread of shaking indirectly the credit of our funds, open as are the exchequers of other countries to our capitalists. Some time hence it may, perhaps, be found practicable to combine two very nice points—a farther reduction of taxation with the preservation of the dividends at their present value. But on this we cannot now enter; while as to intervention on the part of our courts of justice, we must add, that at present it seems out of the question: it could be seriously expected only in the case of our corn trade being thrown open, and the continuance of low prices being thus put beyond all doubt. In any event, it would probably not go beyond the suspension of legal process for a given period of years, against a debtor who should have paid or

tendered in money the chief part (perhaps three-fourths) of his previously contracted debt: a sacrifice apparently large on the part of creditors, but which, in very many cases, may be unavoidable without such intervention, since a continuance of low prices would involve the majority of agricultural debtors in insolvency.

Dr. Smith on Agricultural Improvers. — In the Wealth of Nations (Book V. Chapter II.) Dr. Smith discusses the expediency of inducing landlords to cultivate for their own account a portion of their lands, with a view to the discovery and diffusion of improvements in husbandry. He remarks, in another part, that men of mercantile habits frequently become successful agriculturists, being more accustomed than the hereditary farmer to calculate eventual advantages, and to hazard an outlay for a remote return. Had his life been prolonged, he would have seen, during the war, an ample addition to the list of gentlemen farmers, and have had occasion, since the peace, to qualify very materially his favourable opinion of agricultural undertakings when in the hands of men of other professions. In his time the practical farmers were comparatively poor and uneducated: the hope of improvement in husbandry seemed to rest in the occasional prosecution of the line by men of different habits. Had the case been otherwise, and had our northern and eastern counties possessed half a century ago a tenantry equal to the present, Dr. Smith would probably have taken a different view of the subject, recommending that agriculture, like other pursuits, should be confined to those who had made it their business for life, and accounting for the success of gentlemen farmers during the twelve or thirteen years previous to the publication of his book (1776) by a cause unforeseen, and, in some measure, accidental,—we mean the progressive rise of the price of corn.

Value of Land during the last Century. — In treating historically of the value of land, Mr. Arthur Young in his "Inquiry into the Progressive Value of Money," 1812, expresses an opinion, that about the year 1770, estates sold at thirty-two years' purchase: a rate higher, compared to the rent, than they bore during the preceding forty years. The reason, doubtless, was, that during that long period we had not an interval of peace of sufficient length to reduce the interest of money. Next, as to rents, it is a remarkable fact, that from the beginning of the century

until towards 1770, they had hardly experienced any rise. "A neighbour of mine in Suffolk," says Mr. Young, (Inquiry, p. 102.) "who inherited a considerable landed property, informed me, that in various conversations which he had, between thirty and forty years ago, (between 1770 and 1780) with a relation far advanced in years, and from whom much of that property was derived, that much surprise was expressed at the rise of rents, which then began to take place. Through the long period of his relation's experience, no rise was ever thought of; and lease after lease, in long succession, was signed, without a word passing on the question of rent: that was an object considered as fixed; and grandfather, father and son, succeeded without a thought of any rise: in many cases landlords were much more apprehensive of losing a tenant at the old rent, than having the smallest conception of raising it to a new one."

Comparative Price of Wheat on the Continent, and in England, previous to the French Revolution.

Official Return of the price of Wheat at the Rosoy, or Paris Market, by the Septier of 240lbs. French.

	livres	*s.*	*d.*
Average of the 10 years preceding 1776 -	28	7	9
Average of the 10 years preceding 1786 -	22	4	7
The year 1786 - - -	20	12	6
1787 - - -	22	2	6
1788 - - -	24	0	0
Average per septier, during the 23 years preceding 1789 - - -	24	18	2

Reducing this to English measure and money, the exchange being then twenty-four livres for the pound sterling, the result is an average for these twenty-three years, per Winchester quarter, of 38*s.* 6*d.* sterling.

At Dantzic the average price of wheat in the twenty years from 1770 to 1789, both inclusive, after adding 7*s.* per quarter for freight and charge to England, was (Evidence, Agricultural Report, p. 366.) about 41*s.*

But in England, the annual returns of purchase at Eton market, during the same period give an average of 49*s.*: the whole computed by the Winchester quarter.

This difference was not a little remarkable at a time when our taxation was hardly greater than that of our neighbours. Arising, in the first instance, from bad sea-

sons, it owed its continuance to the extension of our manufactures, and to our war with our American colonies, while the continent of Europe remained in peace.

Export and Import of Corn.

(From the Agricultural Report of June, 1821.

	Quarters.
Exporting period.—In the seventy-six years between 1697 and 1773 the amount of our export of corn of all kinds above our import was	30,968,00
Importing period.—During the forty-two years from 1773 to 1815 the amount of our import above our export was about	24,630,000
Ireland.—The import of corn of all kinds from Ireland to Great Britain, in the thirty-two years prior to 1806, was only	7,534,000
But after the act of 1806 had rendered such import free, it amounted in fifteen years (to 1821) to	12,304,000

APPENDIX

TO

CHAPTER VI.

On Poor Rate.

(From the Reports on the Poor Laws in 1817 and 1821.)

Table of the Amount expended at different dates on the Poor of England and Wales, making the year close at Easter, and adding the corresponding average Price of the Bushel of Wheat.—These sums are distinct from church, county, or highway rates.

			Price of Wheat per bushel.	
		£.	s.	d.
1748-49-50 - - -	average	689,971	4	5
1776 - - - - -	—	1,521,732	6	9
1783-84-85 - - -	—	1,912,241	7	7
1803 - - - - -	—	4,077,891	8	1
1813-14-15 - - -	—	6,129,844	12	8
1816-17-18 - - -	—	6,844,290	10	0
1819-20 - - - -	—	7,430,627	9	6
1821 - - - - -	—	6,947,660	7	10

Amount of Expenditure in each Tenth Year since the middle of last Century, together with the Price of Wheat.

Years.	Expenditure.	Wheat per Bushel.
	£.	s. d.
1750	713,000	4 2
1760	965,000	4 10
1770	1,306,000	6 5
1780	1,774,000	5 11
1790	2,567,000	6 4
1800	3,861,000	10 2
1810	5,407,000	12 4

The following are given in successive Years.

Expended on the Maintenance of the Poor.

		Wheat per bushel.
	£.	s. d.
Year ending 25th March, 1813	6,656,105	16 8
- - - - 1814	6,294,584	12 3
- - - - 1815	5,418,846	8 10
- - - - 1816	5,724,507	7 9
- - - - 1817	6,918,247	10 11
- - - - 1818	7,890,148	11 3
- - - - 1819	7,531,651	10 4
- - - - 1820	7,329,594	8 8
- - - - 1821	6,947,666	7 10

Return of Poor Rate from London, Westminster, and Southwark, being from the Parishes within the Bills of Mortality, delivered to Parliament, 21st February, 1817.

	Year ending Easter, 1813.	Easter, 1814.	25th March, 1815.
	£.	£.	£.
Total raised in the metropolis, by poor rate and smaller rates, such as church rate, highway rate, &c. - - - -	446,542	501,952	489,321
Charitable donations for parish schools and other purposes -	18,983	19,620	20,160

EXPENDITURE.	Year ending Easter, 1813. £.	Easter, 1814. £.	25th March, 1815. £.
Relief and maintenance of the poor	370,518	401,954	383,281
Law suits, removals, expense of overseers and other officers	15,324	17,416	17,433
Families of militia men	12,916	10,837	6,613
Church rate, highway rate, county rate, &c.	98,903	113,574	103,807
Total	497,661	543,781	508,134
Number of poor relieved permanently in work-houses	13,389	13,373	12,341
Out of work-houses, without reckoning the children	12,654	13,762	13,341
Parishioners relieved occasionally either in or out of work-houses	40,993	69,332	70,322
Total	67,036	96,467	96,004

The proportion of marriages to that of our population does not appear to have increased during the late wars:

From 1780 to 1789, marriages, compared to the whole population, were as - 1 in 117
1790 to 1799 - - - - 1 in 119½
1800 to 1809 - - - - 1 in 119½

(*Barton on the Labouring Classes.*)

We shall be more successful in searching for an explanation of the rapid increase of our numbers in other causes: none can be more gratifying than the decrease of mortality in consequence partly of the introduction of vaccination, but partly too of the greater sobriety and comfort of the poor.

Progressive Decrease of Deaths in Great Britain.

From 1785 to 1789 - - - 1 in 436
1790 to 1794 - - - 1 in 447
1795 to 1799 - - - 1 in 465
1800 to 1804 - - - 1 in 474

(*Barton, ut supra.*)

Highway, Church, and County Rate. — These minor charges form collectively somewhat more than a fifth of the

large sum which passes currently under the name of poor-rate. Are they, it may be asked, likely to experience a reduction corresponding to that of the fund applied to the relief of the poor? As the chief constituent of charge in these lesser rates is the price of labour, it is evident that at the reduced wages of the present day, a smaller sum will suffice for an equal extent of work: on the other hand, it is very probable that from a sense of the necessity of providing employment for the lower orders, and of the advantage of carrying farther the improvement of our roads, a considerable extension may be given to such undertakings; none, it is evident, can be more advantageous to the public, if conducted with judgment and economy.

APPENDIX

TO

CHAPTER VII.

On Population.

Employment: its Subdivision as Society advances.— We follow up the reasoning in the text (page 210.) by a few familiar illustrations, for several of which we are indebted to Mr. Gray's Remarks on Population.—In a primitive state of society, like that of England in the days of the Britons and Anglo-Saxons, or like that of the interior of Norway in the present day, we find the inhabitants distributed into detached cottages or petty hamlets, each family being obliged to provide almost every thing for itself. To cultivate a lot of ground is, in such a state of things, indispensable; since no employment, not even those of first necessity, such as the business of the baker, the the tailor, or the mason, would occupy the whole of their time, or prove adequate to their support. Each household is therefore obliged to build, to bake, to brew, to make and to mend for itself; how awkwardly and how imperfectly it is needless to say. To rear a family is to them, whatever the imagination of poets may figure of these days of supposed enjoyment, a task of greater difficulty than in this iron age of rents and taxes. Let us beware of forming our ideas of the condition of our ancestors from the ease of acquiring subsistence in countries such as the Cape of

Good Hope, Upper Canada, or the United States of America. These enjoy all the advantages of colonies; they profit by the capital, the activity, the knowledge of Europe, exhibiting the application of the skill and formed habits of the old world to the improvement of vast tracts of unoccupied land: they exemplify, in short, almost all the circumstances which, in ancient days, led to the rapid growth of the Grecian colonies in Italy and Asia Minor.

To revert to the characteristics of a primitive state of society. In the course of ages the hamlet becomes a village, and as its population increases, a separation of employment gradually takes place; a process which goes on in an augmented *ratio* as the village becomes a small town, a large town, and eventually a city. How far is this subdivision carried in the case of a population of between 1500 and 3000? The more common species of labour, such as that of the builder, the baker, the butcher, the tailor, the shoemaker, are separated; but in other lines the division is not complete; the shopkeeper is a linen and a woollen-draper, a grocer, a druggist, a stationer; the doctor is apothecary, surgeon, physician; the lawyer unites the functions of conveyancer, land-steward, and general agent. This mixture undergoes a decomposition as the inhabitants increase from 5 to 10,000; and in a population of from 10 to 15,000 the various classes, whether of mechanics or dealers, are tolerably subdivided, at least in our country; for in France and most parts of the Continent, the subdivision, even in large towns, is far less complete.

Subdivision of Employment in great Cities. — To mark this subdivision in all its extent, the observer must repair to the French, or rather to the English capital, where the mercantile, the manufacturing, the mechanical professions, all assume the most simple form. A London banker, different from his provincial brethren, issues no notes, and keeps no interest account with his customers: a merchant confines his connexions to a few foreign sea-ports, perhaps to a particular colony or town; and the name of general merchant, though not yet disused, is hardly applicable even to our greatest houses. But it is in the mechanical arts that the subdivision of employment takes a form the most familiar and most intelligible to ordinary observation. In London the class of shoemakers is divided, says Mr. Gray, into makers of shoes for men, shoes for women, shoes for children: also into boot-cutters, boot-closers, boot-makers.

Even tailors, though to the public each appears to do the whole of his business, are divided among themselves into makers of coats, waistcoats, breeches, gaiters. In other lines an equally minute repartition takes place: and as to the ornamental or elegant arts, such as those of jeweller, painter, engraver, nothing would be more easy than to exhibit a long list of professions limited to large towns, and wholly unknown in a thinly-peopled district.

Effect of this Subdivision.—What, it may be asked, is the practical result of this minute subdivision, this nice distinction of employment? By fixing the attention of the workman on a single part of his business, it renders him surprizingly correct and expeditious: his performance gains equally in quality and in dispatch. This is the result of a mechanical dexterity, acquired without any particular effort of the mind; for we must by no means infer that the quickness characteristic of the inhabitants of a large town, that promptitude which distinguishes the Londoner and the Parisian from the hesitation and circumlocution of the countryman, is the consequence of any innate superiority: those who walk in a crowd must adopt the step of others, and advance with the rapidity of the moving mass. The attainments of these persons, meaning such attainments as they possess accurately and thoroughly, are often confined to a few branches; but these are the objects of their profession or business; and the result is, that their work proceeds straight forward, very little time being lost by them in planning, altering, or correcting.

Proportion of different Classes in the National Income.—In consequence of our insular position, our canals, and our mines, the proportion of our national income, derived from manufacture and trade, is greater than in most other countries. The following table is taken, as far as regards its plan, from a publication by Mr. Gray; but it is subjected to several modifications, arising in one respect from the late population return, in another from the fall in the price of commodities. It is founded partly on conjecture, partly on official documents.

Great Britain distinct from Ireland.	Income of particular Classes.	Proportion to the whole National Income.
Agriculturists and all engaged in the supply of subsistence, whether landlords, farmers, or labourers . . .	£70,000,000	30 per cent.
Manufacturers and all persons occupied in making clothing and hardware .	46,000,000	20 do.
Mechanics, masons, and all engaged in supplying houses and furniture .	23,000,000	10 do.
The professional classes, viz. lawyers, clergy, medical men, artists and teachers, to whom is added a very numerous, though not an affluent class, that of domestic servants . .	39,000,000	17 do.
The army, the navy, the civil servants of government, the annuitants drawing an income from our dividends; all, in short, who are paid through the medium of taxes	46,000,000	20 do
The classes receiving parish support and other charitable aid	6,000,000	3 do.
Total	£230,000,000	100 per cent.

The sum allotted to the agricultural classes has unfortunately not been earned by them in this season of depression; but the case must ere long alter; and in a table intended to be referred to for years, it is fit to keep temporary irregularities out of sight.

In Ireland the distribution of productive industry is very different from that of England: were it added to our estimate, there would be a great augmentation of the agricultural proportion.

Population; its different Degrees of Increase.

In a primitive stage of society the rate of increase is, doubtless, very slow, since no advantage arising from the boundless command of territory can counterbalance the anti-population habits of the hunter state. This is sufficiently exemplified among the North American Indians, and proves that in the early peopled regions of Asia, the increase, even with the aid of a fine climate, could not have been considerable until the adoption of pastoral habits; nor great, until these gave way to the agricultural state, in which the augmentation of subsistence concurs

so directly with health of occupation to augment our numbers.

The Mercantile or Manufacturing Stage.—The last stage in the progress of society may be termed the mercantile; the stage in which a large proportion of the inhabitants of a country are assembled in sea-ports and manufacturing towns. Manufactures and trade are by many accounted adverse to population, leading as they do to sedentary habits, or prompting a resort to dangerous climates. These, we admit, are serious objections; but, on the other hand, the commercial state is favourable to early marriage, as will be readily allowed by those who have resided in an agricultural country like France, and marked how slowly population increases amidst the penury, the ignorance, and the unenterprising habits of the tenants of the soil. Add to this, that many of the irregularities of the manufacturing state have arisen, not from permanent causes, but from the fluctuation of wages incident to a state of war, or from the insalubrity of antiquated and ill-planned structures. Evils such as these are in a state of progressive cure from various causes, and from none more than that distribution of population throughout provincial towns which canal communication so directly promotes, by enabling a particular place to confine itself to a particular manufacture, instead of accumulating, as on the Continent, a multitude of workmen in a crowded and overgrown city. Paris and Vienna are, far more than London, the centre of manufacture for their respective countries; for France, Germany, and the Netherlands, united, do not exhibit provincial towns to be compared to Manchester, Glasgow, Birmingham, Sheffield, Leeds. These, and other places of the kind in England, while exempt, in a great measure, from the drawbacks of a metropolis, in regard to health and expence, possess advantages nearly equal, in access to markets and division of employment. The district of Birmingham in particular, inhabited as it is by several hundred thousand persons, affords a striking proof that a numerous population may prosecute manufacture without crowding themselves into narrow streets or lanes.

Effect of the Enlargement of Farms.—Increase of population is conducive to increase of employment in many respects, in which, at first, we should hardly suppose it to exert such an influence. Thus the common notion of small farms being conducive to increase of numbers, is far

from correct, it being, in the first place, impracticable in these petty occupancies to do justice to the productive powers of the soil, while farms of larger size (from 300 to 500 acres,) have many advantages, admitting of the application of machinery and the beneficial employment of capital. In the next place, it is a remarkable fact, that while the quantity of subsistence disposable for the market is augmented beyond comparison, the number of persons supported on the spot is (as we find from the population returns of counties so highly cultivated as Norfolk and East Lothian) greater than it was in the age of small farms.

Effect of Machinery on the Condition of the working Classes. — The effect of mechanical improvement in adding to the income of a community admits of no doubt, its result being to afford a commodity frequently of better quality, and always at a cheaper rate. To be satisfied of the latter, we have merely to compare the prices of either our cottons or hardware of the present day with those of similar articles made by us thirty years ago, or with those made at present on the Continent, where machinery is as yet but partially adopted. But what, it will be asked, is the effect of machinery on the income and comfort of the workman? At first injurious, bringing with it the evils of transition, which are very serious in a time marked like the present, by a great reduction in the demand for hands for the public service. To take an instance familiar to those of our countrymen who have resided in France: in that country coal is very little used, and the general fuel in town, as in country, is wood: the trees, after being felled, are cut into short but thick blocks, carted into the towns, sold in the public markets, and broken up by men who make a business of it, but whose labour, aided only by the wedge and saw, is tedious and fatiguing, adding nearly ten per cent. to the cost of the article. To break these solid blocks by machinery would cause a considerable saving of both time and expence, but in the present stagnation of the demand for labour, it would be harsh, and indeed unsafe to resort to such an alternative, without providing for the thousands who would thus be deprived of employment.

Such, in a greater or less degree, is the case in almost every transition of importance. Eventually, however, the hardship is overcome, and the use of machinery becomes productive of great additional comfort to the lower orders.

To prove that its beneficial effects are general, it is not enough to cite the prosperity of a few manufacturing districts, as the success of these may be accompanied by distress in other parts; the prosperity of Lancashire may cause embarrassment in Saxony, Flanders, or the Banks of the Rhine. The advantage, then, arising from the use of machinery, rests on a broader basis; on that law in productive industry which makes every *real* reduction of cost an addition to individual income, or, what is the same thing, to the comforts procured by that income. The benefit of such reduction is enjoyed by the public at large: the evil, on the other hand, is partial, being confined to the manufacturer. He, however, is benefited in his capacity of consumer, and experiences relief from his distress as soon as it is found practicable to transfer to a new branch a portion of the capital and industry hitherto employed on his own. Such transfers are, it is true, tasks of great time and difficulty: we have felt them to be so in our own country, while in others less advanced, they can hardly be accomplished in the life-time of a generation.

Increase of Population in the present Age.— The recent increase of our numbers, so greatly beyond that of any former age, is ascribed by many persons to the excitement attendant on the war, and to the encouragement it afforded to early marriage in the case of so many classes, the agricultural, the manufacturing, the mercantile, the mechanical; all, in short, except the fixed annuitants. But while we admit this to have been of very powerful operation, we must put in the opposite scale the serious injury to population arising from war, as well by the loss of lives in the field and in tropical climates, as by the removal from home of many who would otherwise have become fathers of families. When to this we add, that since the peace the *ratio* of increase is not less great than during the war, we are led to attribute the augmentation of our numbers to causes more permanent and satisfactory; to the preservation of the lives of children by vaccination; to the better lodging, the greater cleanliness and sobriety of our lower classes. This result, already exemplified in a brief return (Appendix to Poor-rate, p. 60.) will, we believe, be found to rest on a broad basis whenever our official documents shall be more ample.

Similar causes prevail, though in a less degree, on the Continent: in France the increase of population, formerly so slow as hardly to yield an addition of 30 per cent. in a

century, may now be computed at somewhat more than twice that proportion. In that country sobriety was always prevalent, but the abolition of monasteries, the improvement of medical practice, the ameliorated condition of the peasantry, are all peculiar to the present age. In Germany the degree of increase is probably not very different from that of France. Of Russia we have as yet no accurate returns: Spain, Italy, and the south of Europe generally, are also on the increase, but in a *ratio*, which, when we consider the general indolence and poverty of the lower orders, is, doubtless, slower than that of France. And in the countries subject to the Turks, the frequency of the plague, and all the pernicious effects of bad government, are likely still to counteract the natural tendency of population to increase.

STATISTICAL TABLE OF EUROPE, IN 1822.

	Total Population.	Persons to a square mile.	Taxes, Tithe, and public burdens generally.	Proportion of such burdens per head.
				£. s. d.
Norway, including Finmark	950,000	6		
Sweden, Norway, and Swedish Lapland	3,600,000	10		
Sweden, distinct from Norway and Swedish Lapland	2,600,000	25	1,300,000	0 10 0
Russia in Europe	37,000,000	23	18,000,000	0 9 9
Scotland; viz. the Highlands distinct from the low country		30		
Turkey in Europe, not ascertained, but probably not above	8,000,000	50	5,000,000	0 12 6
Poland, before the partition	15,000,000	53		
Poland, the present kingdom of, distinct from the provinces incorporated with the Austrian, Russian, and Prussian dominions	2,850,000	60	1,200,000	0 8 8
Sardinia, Island of	520,000	57		
Spain	11,000,000	60	6,000,000	0 11 0
Denmark, exclusive of Faroe and Iceland	1,600,000	73	1,300,000	0 16 3
Hanover	1,300,000	90	900,000	0 14 0
Portugal	3,700,000	90	3,000,000	0 16 3

	Total Population.	Persons to a square mile.	Taxes, Tithe, and public burdens generally.	Proportion of such burdens per head.
				£ s. d.
Switzerland, the twenty-two cantons - - (The pecuniary burden is very small, but the Swiss are liable also to military service.)	1,750,000	91	430,000	0 5 0
Wales - - - -	740,000	96		
The Austrian empire, including Lombardy, and Austrian Poland -	29,000,000	112	18,000,000	0 12 4
The Prussian dominions	10,500,000	100	7,000,000	0 13 4
Bavaria - - -	3,600,000	120	2,500,000	0 14 0
Sicily, island of - -	1,655,000	132		
Dominions of the king of Sardinia, viz. Piedmont, part of the Milanese, the Genoese territory, Savoy, and the island of Sardinia	4,000,000	148	2,200,000	0 11 0
States of the Church -	2,450,000	150	900,000	0 7 6
The Neapolitan dominions, including Sicily	6,700,000	154	2,700,000	0 8 0
France, including Corsica	30,700,000	150	37,000,000	1 4 0
Scotland; the low country distinct from the Highlands - -		150		2 0 0
Great Britain exclusive of Ireland (the taxes computed according to the value of money on the Continent) -	14,500,000	165	40,000,000	2 15 0
Wirtemberg - -	1,400,000	170	1,000,000	0 14 4
Saxony - - -	1,200,000	170	900,000	0 15 0
Italy, exclusive of Sicily	17,000,000	179		
Great Britain and Ireland collectively -	21,500,000	182	44,000,000	2 0 0
The Netherlands* -	5,300,000	214	8,000,000	1 10 0
Austrian, Italy, or the Lombardo - Venetian kingdom - - -	4,000,000	219	2,000,000	0 10 0
Ionian islands, republic -	230,000	230	100,000	0 8 9
England, distinct from Wales - - -	11,600,000	232	36,000,000	3 2 0
Ireland - - -	7,000,000	237	4,000,000	0 11 0
Holland, province of -	760,000	562		
West Flanders - -	630,000	420		
East Flanders - -	610,000	554		
Europe collectively, about - - -	200,000,000	58	180,000,000	0 18 0

* The repartition of taxation is here very unequal, the Dutch provinces, particularly those of Holland and Zealand, paying much more than 1*l.* 10*s.* a head; the Belgic much less.

These returns, both as to population and public burdens, are, in general, taken from official documents: they require, however, a few explanations; thus,

Extent in square Miles. — The amount assigned to England, Scotland, and Wales is taken from official returns, but in regard to Ireland and most parts of the Continent, the statements are, in some measure, conjectural, and to be considered only as approximations.

Public Burdens. — The sum of 44,000,000*l.* as the aggregate of our public burdens, may appear greatly below the mark, but it is formed by two important deductions from our present payments: first, by taking credit for some farther reduction of our taxes, and, in the next place, by making an abatement (of fully 20 per cent.) from the numerical amount of our burdens, to bring their value on a par with those of the Continent, with which they are here compared.

Population. — Mr. Gray assumes, (Happiness of States, p. 421.) that an individual for every two acres, or 320 persons for a square mile, would be a fair complement of population for the soil and climate of Europe. From this rate, however, we are still at a great distance, having attained it only in Flanders and Holland: in England and Ireland we are likely, if we proceed as in the present age, to reach it in somewhat less than twenty years.

In Iceland the proportion is little more than one person to a square mile, but the lowest extreme of European population is exhibited in Lapland, where there is not more than one inhabitant to two or three square miles.

Europe taken collectively. — Our estimate is greater in regard to population, and smaller in respect to public burdens than that which is at present current on the authority of German statisticians; but the latter made their computation in or before the year 1817, since which, population has increased, and taxation has experienced a partial reduction.

Progress of national wealth. — A parallel between the England of 1822, and the England one hundred years preceding, if made some time back, would have been subject to much intricacy of calculation, on account of the difference in the value of money. Of late, however, commodities have fallen so generally, that we are induced to consider the prospect of continued peace, and of agricultural supplies on a large scale from Ireland, as likely to bring our prices nearly to a level with those of the reign of George I. Those who dissent from this opinion, and who

who imagine money to have been formerly of much greater value, will do well to recollect that many manufactures are now cheaper than in that age, and that *corn is very little dearer*. The chief difference, in fact, is in professional fees, salaries, and wages, all raised during the war, and not yet brought to a level like the price of produce, manufactures, or whatever is regulated at an open market. Then as to the charges of house-keeping in a comprehensive sense, the difference between the present time and a hundred years ago, resolves itself chiefly into a difference in the style of living; not unlike the existing difference between France and England, in which, though the prices of a number of articles are on a par, the total outlay is less in France, in consequence of the plainer habits of the country.

Comparative Revenue of England and France, (*in p.* 243.)

Wages. — To put the two countries so nearly on a par in regard to wages may seem hardly fair towards France, superior as that country is in population, and reduced as wages now are, or are likely to be among us. But in a calculation of national revenue, the magnitude of the population of France ought, in a great measure, to be kept in the back ground, many millions being cottagers, who, as in Ireland, do little more than maintain themselves on their petty occupancies, consuming few articles productive to the exchequer, and hardly adding to the national strength, otherwise than by recruits for the military service. Wages are highest among a town population, in which England takes greatly the lead. Add to this, that in all Catholic countries there is a considerable loss of wages from holidays.

Rent of Houses. — In this respect France was formerly entitled to rank before us; but houses in a rural district yield very little rent; and while French towns are comparatively stationary, ours have been and continue in a state of rapid increase.

To those who do not clearly understand in what manner increase of numbers conduces so directly to increase of national resources, we would recommend to leave out of the question the infantine part of society, and to confine their attention to those approaching to the age of twenty, the age of productive labour. Our population returns have, ever since 1801, exhibited an increase of 1½ per cent. a year; these persons are now attaining maturity, and entering the field as new contributors to our national income

while in France the proportion of such new contributors is, and has been ever since 1801, not quite one per cent. annually. The effect of this increase of our numbers shall be farther explained in the chapter appropriated to the progress of our national resources; at present we invite those who imagine that there is somewhat of over-confidence in the preceding reasoning, to read the following sketch of the progressive taxation of the two countries, which is, we believe, sufficiently accurate.

Years.	France.	England.	England, after deducting for differences in the value of money.
1550	£1,500,000	£600,000	£600,000
1600	2,500,000	900,000	900,000
1660	4,000,000	1,200,000	1,200,000
1700	8,000,000	4,000,000	4,000,000
1750	12,000,000	7,000,000	7,000,000
1790	22,000,000	16,000,000	13,000,000
1822	33,000,000	55,000,000	43.000,000

These sums exhibit the *net* produce of the taxes, after deducting the expence of collecting; and the latter years of the column of England include Scotland and Ireland.

Backward State of France.

Extract of a letter from Mr. S. Gray to Monsieur Say, printed in 1817 in the Appendix to the volume, entitled "All Classes productive."

"In a visit which I made to your country last year, I confess I did not find such striking or brilliant results. Travelling partly with a view to ascertain how far the doctrines, which I had deduced from the facts around me in our island, as well as from information, agreed with the facts found in so populous a state as France, I scrutinized as narrowly as I could the circumstances of the population. Considering an extension of buildings, and an improvement in their style, which show the increase of population combined with the concomitant increase of wealth, as the surest symptoms of a thriving country, I paid particular attention to your towns and villages in these points, and am sorry to say, I saw no progress whatever. I have no recollection of any strictly additional buildings: the only new buildings which I perceived were in some villages that had been partly destroyed in the conflicts with the invading armies. In truth, though we also are suffering from an

unusual stagnation, I found, at my return, more new houses going on in the petty suburb of London, Camden Town, and its neighbourhood, than I had seen in the whole of my route through France. Every town and every village seemed stationary. I own, however, I found much of what I expected, on my principles, from a state so long well peopled. There was an appearance of wealth, though, in general, it is true, but of little capital. Your soil is almost universally under cultivation, but, with some exceptions, in a very inferior style. Your people are generally employed and busy, yet not very effectively. Though the population of France be to that of England only as about 150 to 230 per square mile, France seems to be at a still more considerable rate behind our island in capital, and the results of active capital. In several statistical points we have got the start of a full century before you."

APPENDIX

TO

CHAPTER VIII.

National Revenue and Capital.

Is our annual Consumption equal to our annual Production?—In adverting to this subject, our limits prevent our enlarging on the distinction between productive and unproductive consumption, as explained by M. Say and Mr. Mill, or the much greater latitude given to the term productive by Mr. Gray. We have, in fact, room for little more than answering the plain practical question, "What part of our national income appears to be saved or invested, so as to form a permanent addition to the national property?"

The part of our income thus appropriated will be found very small, if considered in the limited sense of investments in money securities, such as the funds or mortgage, transactions of that nature, being confined in a great measure to annuitants, or rather to the comparatively small portion of them that are opulent. If to these we add the investments in the form of money in the part of all other classes, including the saving banks of the lower orders, we shall probably find for the kingdom at large, an annual appropriation of 9 or 10,000,000*l.*, the interest of which, at the present reduced rate, affords an addition of only 3 or 400,000*l.* to our national income.

But if we take in a more liberal sense the difference between the revenue and expenditure of the nation, if we consider as saving or as increase of our stock, all that is laid out on the improvement of land, the building or re-

pair of houses, the increase of furniture, and if to these we add interest of money saved, we shall find, on the whole, an addition to our taxable income of nearly 3,000,000*l.* a year, rendering it probable that the 250,000,000*l.* of this year will in 1823 become 253,000,000*l.*; in 1824, 256,000,000*l.*, &c. This result will be confirmed if we take as a criterion the increase of our population, confining our estimate to those who annually attain the age of twenty, the age of efficient labour, and whose number, following up the outline already given (Appendix, p. 72.) we calculate as follows.

In 1802 the population of Great Britain and Ireland was about 16,000,000, the annual increase by births over deaths, 1½ per cent. or 240,000. The individuals then born, whether male or female, have now attained the age of useful labour, and must be considered as bearing the same share as the rest of the population, in augmenting the national income. In what manner ought the result of their exertions to be calculated? Our national income, taken in the largest sense is 350,000,000*l.* a year, and the average contribution to it, reckoned per head of population, is nearly 17*l.* Estimated in that proportion the addition from our new cultivators of the field of national industry, would be little short of 4,000,000*l.* a year, but we prefer the safer course, and reckon as a *bonâ fide* addition to our resources only that income which is subject to taxes. Now, on dividing the *taxable* income of the nation by the number of our population, the result is about 12*l.* a head as the product of each individual, and the quota of our new contributors, reckoned by that scale, approaches to the 3,000,000*l.* mentioned above.

This will be found a fair and moderate estimate of the annual addition to our national income. If it be objected that a deduction ought to be made from our assumed number of 240,000, on account of the deaths occurring ere our new contributors attain the age of labour, we answer that that is amply balanced by the following considerations.

1. The growing increase of our numbers, which, following the scale of our population returns for 1803, 4, &c. will be next year 244,000; the year after 250,000, and seven years hence 270,000.

2. The fact that our new labourers living chiefly in towns where wages are higher than in the country, their contributions might fairly be estimated at somewhat more than 12*l.* a head.

3. Particularly as that sum forms the average contribu-

tion of our population including *all ages*, whereas the 240,000 on whom we calculate have attained the age of labour.

A Table of annual Consumption substituted for a Table of Production.—Since all, or nearly all, that is produced, is consumed in one form or other, whether productively or otherwise, and since the taxes of this country are imposed chiefly on consumption, it will be more suitable to our general reasoning to exhibit the amount in the form of consumption.

National expenditure or consumption of Great Britain and Ireland for 1822.

Expended on the produce of the soil for the food of man, or for purposes of manufacture	£117,000,000
On the produce of the mines	10,000,000
On manufactures for home consumption	70,000,000
On houses built or repaired; on furniture; and on improvement of land on whatever is termed in law real property	30,000,000
On all goods imported, whether for consumption, such as tea, sugar, coffee; or for manufacture, as wool, hemp, iron	70,000,000
On all commodities or products not comprized in the preceding	53,000,000
Total consumption	£350,000,000

Correspondence of this Sketch with the Calculation of other Writers.

Mr. S. Gray, in his addition to the Happiness of States, (p. 636.) computes the total expenditure or consumption of the population of Great Britain in 1818 at £280,000,000
To which, if we add for Ireland - - 70,000,000

The result is as above - £350,000,000

Mr. Colquhoun's table of property annually created, will be found to differ in a few particulars only from our sketch. The latter leaves out

The produce supplied to the food of horses, horned cattle, and the lesser animals; also

The amount of manufactures exported, giving in lieu of the latter, and of some other heads in Mr. C.'s table, the value of our imports.

Our next inquiry relates to a topic of considerable intricacy.

Proportion of National Expenditure exempt from Taxation.—In France and other countries of limited trade, the governments are obliged to impose their taxes chiefly on production, exacting from the landlord and farmer a payment equivalent in general to 20 per cent. of their incomes. With us the form of impost is different: the direct taxes since the peace are not considerable, but those on consumption have long been, and still are so multiplied, that many persons imagine that hardly any portion of our expenditure escapes the visitation, direct or indirect, of the exchequer. In many cases, however, the transit from production to consumption is too direct to admit of assessment, particularly in regard to the lower orders. The oats, the potatoes, the kitchen vegetables reared by the cottager for his family, or by the farmer for his labourers, though all comprized in our estimate of national consumption, are subject to very slight demands on the score of taxation.

Case of Ireland.—This is strikingly exemplified in the sister island, where the taxed expenditure, limited as it is to the disburse of the gentry, the merchants, professional men, and the comparatively small portion of the lower classes residing in towns, cannot, with confidence, be computed at more than 25,000,000*l.* But a population of 7,000,000, supposing their average rate of subsistence not to exceed that of the English cottage, as calculated by Sir F. Eden, (between 6 and 7*l.* a head,) could not exist without an annual produce of nearly 50,000,000*l.*; and if in forming a calculation for Ireland, we make allowance for the better circumstances of her town population, and for the comparative comfort of her linen manufacturers, we may, perhaps without exaggeration, carry the total property created in that island to 70,000,000*l.* a year, which is in the proportion of nearly 3 to 1 to the sum we have assumed as representing her taxable income.

That the supposed amount of the latter is not underrated at 25,000,000*l.*, is unfortunately too clear from the state of the revenue, the amount of which, before making any deduction for collection, hardly exceeds 5,000,000*l.*, or 20 per cent. on 25,000,000*l.*, although levied of late years on nearly the same scale of duties as in England, where taxation, distinct from poor rate, exceeds 23 per cent. of the national income. How, it may be asked, does it happen that the two countries differ so greatly in the

proportion of their taxed and untaxed consumption? Because three-fourths of the population of Ireland are cottagers, whose consumption eludes the visit of the tax-gatherer, their clothing being of home manufacture, their food the potatoes of the neighbouring field, their fuel the turf of the common bog. One generation thus succeeds to the poverty of another, and in the eye of the political arithmetician, Ireland is rich only in recruits.

France.—This country bears a considerable resemblance to Ireland in the density as in the poverty of her agriculturists: their total consumption (exclusive of the food of horses and cattle) is not over-rated at 180,000,000*l.*, but as in the rural districts of France the excise duties are very light, taxation in these districts is in a manner confined to the 15,000,000*l.* of rent and farmer's income returned as subject to *foncier*. The assessment under that head, heavy as it is, would not, if calculated on the *whole produce of the agriculturists*, exceed 5 or 6 per cent.: yet to increase the amount of this tax is a matter of great difficulty, and the contribution of French agriculturists to their government takes place much more in men than in money. In 1793, when the cause of the revolution was highly popular, and the greatest efforts were necessary to repel invasion, the demand of the government was directed not to pecuniary aid, but to levies. These, during two critical years, were supported by the *assignats*, but after the discredit of that currency, the power of France would not have been so very formidable, had not her armies been supported by the financial resources of the Netherlands.

Such is the state of taxation in regard to agriculturists: the next question respects the situation of manufacturers. Among them the proportion of expenditure subject to taxation may at first appear large, the majority of the workmen residing in towns; however, a great part of them are indigent, and though the wages of the unmarried are expended in a great measure on taxed articles, such as beer, spirits, and tobacco, those of women, children, or the fathers of families are more strictly confined to the purchase of the necessaries of life.

Lastly, in regard to the expenditure of merchants, professional men and traders, foreign commerce, transacted as it is in sea-ports, and by persons in the command of capital, creates, for the limited number employed by it, a great consumption of taxed articles. Of professional income the appropriation, from the respectable station of the

individuals, is similar, but inland traffic comprizes many persons of a very humble rank, mechanics, labourers, and others, of whose consumption a considerable part is but slightly productive to the exchequer.

It would, we believe, answer no useful purpose to enter on a more minute distinction of the expenditure of particular classes. Speaking generally, we may assume that about 30 per cent. of our national expenditure seems exempt from taxation, and that if the whole be computed at 350,000,000*l.*, the taxable part may, agreeably to the table in the text, be put down at about 250,000,000*l.*, or 260,000,000*l.*

We may perhaps throw some light on this intricate topic by adding a few sentences containing the amount of national income in several of our great departments, with some remarks on its appropriation.

Income from the Produce of the Soil, 117,000,000*l.* — Of this very large sum, the portion constituting the income of the landlord and of the higher class of farmers, is evidently expended in articles subject to taxation; in regard to the smaller farmers or labourers the case is otherwise, their principal consumption of taxed articles being confined to malt liquor.

Produce of the Mines, 10,000,000*l.* — Here similar remarks apply in regard to the rent of the proprietor, the salary of the superintendant, or the wages of the workmen. As to the raw material, a considerable duty is raised from coal, but this charge is avoided on all that is not carried coastways, or in a particular direction by canal.

Manufactures for home Consumption, 70,000,000*l.* — The expenditure on taxed articles in this case arises from the income of master manufacturers, the salaries of clerks, and the wages of the less indigent workmen. The same may be said to apply to the expenditure (computed at 30,000,000*l.*) on buildings, furniture, and agricultural improvements.

Income from Trade, Professions, and all other Sources, 100,000,000*l.* — Under this very comprehensive head, the expenditure more particularly subject to taxation consists of the profit of merchants and bankers; of the income of professional men; salaries of clerks; income of shop-keepers; wages of ship-builders, seamen, &c.

Agreement of the Table of Taxable Income in the text, (p. 249.) with the Amount of our Taxable Income at the close of the War.

Taxable income in 1814.
Great Britain, distinct from Ireland.

Amount assessed for property tax . . .	£156,000,000
Add for various allowances; also for all omissions and evasions, a supposed sum of	47,000,000
Not assessed for property tax, but subject to excise and other duties.	
Wages and small incomes computed as in the table in the text, but with two material distinctions; viz. that our population in 1814 was considerably smaller, but their rate of wages much higher . .	100,000,000
Total of Great Britain	303,000,000
Ireland, supposed amount of taxable income	35,000,000
Total in conformity with p. 66. of the text, ...	£338,000,000
Compare with this the amount of taxable income in 1822	£255,000,000
Add a third for the increase in the value of money since 1813	85,000,000
Farther, for an increase of income calculated in proportion to the increase of population, viz. 14 per cent.	46,000,000
In all	£386,000,000
Deduct for the general decrease of individual income since 1813, whether in wages, salaries, or profits, a conjectural estimate of	48,000,000
Remainder, agreeing with the above . .	£338,000,000

National Capital. — Calculations of national capital are not, perhaps, of great importance in a direct sense, since taxation has seldom been imposed with reference to the amount of capital. A table of this nature is, however, of interest when viewed in connexion with a return of our national income, and rendered subservient to establishing the accuracy of the latter; this will, we believe, be the effect of the subjoined sketch.

The fall of prices attendant on a state of peace is, from causes which shall be explained presently, productive of

much less diminution in regard to our capital than our income; and Mr. Colquhoun's calculation, having been made on an estimate extremely moderate for a state of war, the difference between the present year and the year 1812, as calculated by him, is not considerable. Our table for the present year is consequently little more than a re-statement of his results, with a few modifications.

Calculation of National Property.

Great Britain and Ireland.	Computation for 1812, nearly in the form adopted by Mr. Colquhoun.	A similar computation for 1822.
Land under cultivation, whether in pasture, tillage, or gardens . .	£1,280,000,000	£1,200,000,000
Farming capital, whether vested in implements of husbandry and farming stock, or in corn and other produce	228,000,000	200,000,000
Dwelling houses, warehouses, and manufactories	400,000,000	400,000,000
Manufactured goods in progress or ready for sale, whether in manufactories, warehouses, or shops: also foreign merchandize on hand	160,000,000	140,000,000
British shipping of every description	27,000,000	20,000,000
Here it seems fit to make an addition to Mr. Colquhoun's statements on account of		
Mercantile and manufacturing capital not specified by him, viz. money in hand; advances to correspondents abroad; manufacturing machinery; tools and implements of mechanics	130,000,000	130,000,000
This carries to nearly 300,000,000*l.* our mercantile and manufacturing capital employed in current business, and exclusive of whatever capital our merchants may have in fixed property, such as the funds, land or houses.		
Such are the great heads of our national property; the lesser as given by Mr. Colquhoun, are		
Mines and minerals	75,000,000	65,000,000
Canals, tolls, and timber	50,000,000	45,000,000
Total	£2,350,000,000	£2,200,000,000

This table is to be understood as representing private property, and exclusive of all public property, such as military stores, churches, hospitals; also of such private property as is unproductive; viz. waste lands, furniture, or wearing apparel; and finally, of whatever is expressive of a debt from one part of the community to another, such as the stocks, mortgages, or mercantile acceptances.

How, it may now be asked, does it happen that the decrease of our national property since the peace is so much less than is commonly supposed? The reasons are —

Land, as a property, is worth in peace from thirty-two to thirty five years' purchase; in war, only twenty-seven or twenty-eight years' purchase; so that though on our rental we reckon a fall of 30 or 40 per cent., the principal has sunk not so much as 20 per cent.

Farming capital experiences at present a depression much beyond the reduction in our table; but its amount in 1812 was, we believe, under-rated by Mr. Colquhoun, while, in point of quantity, it has participated largely in the general increase.

As to buildings, whether warehouses, manufactories, or dwellings, the surprizing increase in the number appears fully to have balanced the decrease of rent, particularly as such decrease appears to have been much smaller in this kind of property than in land.

In our manufactured and foreign goods on hand the fall of price, great as it has been, is nearly equalled by the increase of quantity. In our shipping the case is otherwise, and we have accordingly made a large deduction.

Such is the comparative amount of our national property in 1812 and 1822, when represented in money of the respective years. But were the *real* value to be calculated, the balance would be in favour of the present year, since, moderate as were Mr. Colquhoun's estimates for a season of war, his sums would necessarily be less great if extended at present prices; and the aggregate would fall short of the 2,200,000,000 assigned by us to the present year.

Were we to take a retrospective view of the value of our national property since 1792, we should, in the absence of satisfactory returns for the earlier years, attempt to estimate it thus:—

Conjectural amount of productive property in Great Britain and Ireland in 1792, calculated on the plan of the preceding table, about £1,300,000,000

Add for increase of value in proportion to the increase of our numbers in the thirty years since 1792, being 45 per cent. on our population in that year	585,000,000
Add for a farther increase, rather nominal than real, in the valuations of the table for 1822, compared to those which would be applicable to a similar table in 1792, there being, in the two periods, a considerable difference in the value of money	315,000,000
Total	£2,200,000,000

Public Burdens in the present Year (1822). — Particulars of the 70,000,000*l.* assumed in the text, p. 259.

Taxes, gross amount, including both the charge of collecting and the repayments in the form of drawbacks, discounts, and allowances*	£64,000,000
Deduct, not the charge of collection, but the repayments, which form in fact no part of our burdens	4,000,000
Remain . . .	60,000,000
Add for poor-rate and tithe, after a deduction from the payments of 1821, a computed amount of	10,000,000
Together . . .	£70,000,000
This amount, reduced to money of 1792 in the proportion of 120*l.* to 100*l.*, gives the sum expressed in the text, viz.	£58,000,000
But after the reduction of the taxes on salt, malt, and leather, the total of our public burdens, including tithe and poor-rate, will not exceed	67,000,000
Equivalent in money of 1792 to	56,000,000
Or, compared to our national income, somewhat less than 27 to 100.	

* As the revenue of the current year cannot be ascertained till its close, we take, with a slight deduction, that of 1821. See the Finance accounts to 5th January, 1822.

Tithe. All our tables include the tithe paid to lay impropriators.

APPENDIX

TO

CHAPTER IX.

On Fluctuation of Prices.

(From Mr. Arthur Young's Inquiry into the Value of Money, 1812.)

Abstract of part of Sir G. Shuckburgh's Table.

The Prices of the Year 1550 are taken for the Integer; viz. 100.

Years.	Wheat.	Twelve Miscellaneous Articles, viz. an Ox, Cow, Poultry, &c.	Butcher Meat.	Day Labourer.	Mean of all.
1550	100	100	100	100	100
1600	—	—	—	—	144
1650	—	239	—	—	188
1675	246	—	166	118	210
1700	—	—	—	—	258
1720	—	454	—	—	257
1740	197	492	266	250	287
1760	205	—	400	275	342
1780	—	—	—	—	427
1790	—	752	—	—	496
1795	426	—	511	456	531
1800	—	—	—	—	562

There are various objections to this table. Butcher meat is put on a par with wheat, although with the mass of the population it does not form a fifth part of the con-

sumption. Each of the twelve miscellaneous articles, whether poultry or cattle, are considered of equal importance, and manufactures of every sort are omitted. There are, besides, a number of inaccuracies in the authorities from which the table is compiled.

Comparison of the 17th and 18th Centuries. — Bishop Fleetwood, whose inquiries, in regard to the particular period to which he confined them, were very accurate, and Dr. Henry, the author of the History of England, both exhibit results very different from Sir George Shuckburgh. From these Mr. Young attempted an estimate on the following plan.

	17th Century.	18th Century.	Rise per Cent.
	£. s. d.	£. s. d.	
Wheat - - - -	1 18 2	1 18 7	Par.
Barley and oats - - -	1 9 5½	2 0 0½	33
Butcher meat, butter, cheese, or whatever is the produce of grass land - - -	0 1 9	0 2 3	28½
Labour - - - -	0 0 10½	0 1 3	46½
Wool - - - - -	1 9 1½	0 17 8½	39½ fall.
Iron - - - - -	0 0 1½	0 0 1¾	16½ rise.
Coals - - - - -	1 5 10½	1 16 0	39½

Repeating wheat five times, on account of its importance, barley and oats twice, the produce of grass land four times, labour five times, and reckoning wool, coals, and iron, each but once, while iron is considered the representative of all manufactures, the rise from the price of one century to those of the other will amount to no more than 22½ per cent.; or only the tenth part of the rise stated by Sir George Shuckburgh.

Manufactures. — Under the important head of metals, and particularly of iron, Mr. Y. found that the rise for several centuries had been inconsiderable, the improvements in the process of preparing them sufficing, in a great measure, to counterbalance the enhancement of labour. But the great argument against Sir G. Shuckburgh's allegation of general depreciation is to be found in the price of manufactures, in the production of which, far more than in agriculture, free scope is given to the application of all the auxiliaries called forth by the progress of society; we mean increase of capital, division of labour, and aid from

machinery. The following short list is taken from the books of Greenwich Hospital.

Average of the Years from	Shoes.	Stockings.	Hats.	Proportions in twenty, when taken collectively.
	s. *d.*	*s.* *d.*	*s.* *d.*	
1729 to 1765 - -	5 11	1 7	2 2¾	14½
1770 to 1785 - -	5 10	1 5½	2 3½	14
1770 to 1800 - -	4 7½	1 5¾	2 4	15¾
1790 to 1800 - -	4 6½	1 6	2 4	15½
1805 to 1810 - -	5 5	2 2	3 0	20

These are articles of subordinate importance; but the fact is, that in almost all manufactured commodities, we are supplied cheaper than our ancestors, and that a rise, when it has taken place, is to be ascribed either to a tax on the raw commodity, or to some cause which may be termed particular or incidental. In regard to the *quality* of our manufactures, we must speak with more hesitation, and can hardly decide whether the balance be in favour of the present or of a former age; for if our fabrics are now much more neat and convenient, they are in a considerable degree less durable.

Price of Horses and Cattle.—The case is very different in regard to the produce of our soil, whether we look to our tillage or our pasture. In comparing the present price of sheep and oxen with those of a century ago, a great part of the difference is to be ascribed to the inferior size of the animal, at a time when the art of grazing was not understood; the same will be found to hold in regard to horses, and at a later date than is commonly imagined. The only quarter affording authentic information in regard to the price of horses is the War Office, from the records of which Mr. Young extracted the following averages.

Years.	Price.
	£. *s.* *d.*
1766 and 1767 - - - - -	21 0 0
From 1768 to 1792, both inclusive -	23 2 0
1793 to 1802 - - - -	26 5 0
1803 to 1812 - - - -	26 5 0

The rise of price in this period of forty-six years was much less than might have been supposed from the rate paid by individuals. But the War Office, looking chiefly to strength and the power of standing fatigue, bought, throughout the whole period, horses of nearly equal value. Private purchasers were not so easily satisfied; and of the higher prices so generally paid by them, a considerable part is to be ascribed to a size and beauty in the animal which half a century before was comparatively rare.

Sketch of the progressive rise of prices since the thirteenth century, taking 20 *for the integer or highest sum, and exhibiting the other parts by their proportion to it.* (*Abstracted from a table by Arthur Young.*)

Periods.	Wheat.	Beef and Pork, from the books of the Victualling Office.	Labour.	Manufactures at Greenwich Hospital.	Population.	Trade, calculated from our exports.
13th Century -	5⅓	—	3½	—	—	—
14th ditto - -	6¼	—	4⅜	—	—	—
15th ditto - -	3	—	5½	—	—	—
16th ditto - -	6	—	5½	—	—	—
17th ditto - -	9¼	—	8	—	—	—
18th ditto - -	9¼	—	12½	—	—	—
66 years from 1701 to 1766 - -	7¾	7¼	10	14⅛	11	5⅛
23 ditto from 1767 to 1789 - -	11	11	12½	14	13½	8¼
54 ditto from 1767 to 1800 - -	12	12⅛	14	15¾	15¾	11
14 ditto from 1790 to 1803 - -	13	17	16¾	15½	18¾	15⅛
7 ditto from 1804 to 1810 - -	20	20	20	20	20	20

Annual Consumption of Gold and Silver for Plate, ornamental Manufacture, and Furniture. — Calculations of this nature have hitherto been founded on returns from towns which, like Geneva, were remarkable for the manufacture of watches, or like Paris and Birmingham, for gilding, trinkets, and other ornamental fabrics. At present, however, we are inclined to draw our inferences from a wider field, from a calculation of the probable amount of individual income founded on the public burdens of this and other countries. If we refer to our property-tax returns

during the war and make allowance, on the one hand, for the reduction of income, on the other, for the increase of numbers that have since taken place, we shall find reason to estimate the number of

Families in England, Scotland, and Wales possessing 200*l.* a year and upwards, at . . .	100,000
And taking our island as representing, in point of income, one-fourth of the civilized world, we add for the latter, that is, for the rest of Europe and the United States of America .	300,000
Together . . .	400,000

Families, whose incomes are between 60*l.* and 200*l.* a year amount in Great Britain to nearly	400,000	
Add for the rest of Europe and the United States of America . . .	1,200,000	
Together		1,600,000

Now a consumption on the part of the former class at the conjectural average of 10*l.* a family annually, would give	£4,000,000
The same for the second class at the rate of somewhat less than 2*l.* per family . . .	3,000,000
Add for the consumption of the lower orders in watches, ear-rings, buckles, &c. . . .	1,000,000
Total	£8,000,000
These large sums include loss by accident and wear; but as a considerable amount of old plate or old manufacture is annually melted and wrought up, we deduct as *not forming a demand on the mines*	2,000,000
Remainder, being the conjectural amount of specie from the mines annually required for plate and ornamental manufacture or furniture	£6,000,000

Comparative Expence of France and England. — Notwithstanding our great intercourse with the Continent of late years, the public are not yet in possession of a correct comparison of the expence of living in France and England. Nothing is more vague and unsatisfactory than the notices on this subject in books of travels, proceeding, as they generally do, from persons who have little idea of comprehensive calculation, and who allow themselves to dwell with undue emphasis on a few particular points in which France happens to differ materially from England. Such persons seldom make allowance for a countervailing tendency in other items of the account. The proper mode is to frame a general table, including not only provisions, house-rent, fuel, wages, but manufactures, and professional charges. After ascertaining these material points, there will remain to be made a distinction between different periods: thus, during the war, particularly in the latter years, the difference between the two countries was very great, 100*l.* in France being equivalent to 150*l.* in England. Since the peace, this difference has progressively decreased, the fall of prices in France, though not inconsiderable, being much inferior to that which has taken place in England. A comparison made in 1819 would have exhibited 100*l.* in France as equal to fully 130*l.* in England; at present (1822) it would not, as far as regards provisions, exceed the proportion of 100*l.* to 115*l.*

After attending to these preliminaries, the progress of comparison becomes less difficult, and, by balancing one point against another, is made to assume, at last, a clear and simple form. Thus, as to the respective capitals, Paris being inferior in water communication incurs a greater enhancement than London in the conveyance of bulky commodities, such as corn, coal, wood; while, in respect to number of consumers, the cause of enhancement is considerably less, the population of the French metropolis being only two-thirds of that of ours. These causes may be said to neutralize each other; and the inferences are, —

First, that Paris is as much dearer than the provincial part of France, as London is dearer than the provincial part of England.

Secondly, that the proportion mentioned above as constituting the difference with England, viz. 30 per cent. in 1819 and 15 per cent. at present, is applicable to the two countries throughout, provided we confine our parallel to places similarly circumstanced, comparing Paris with London, and Touraine or Lower Normandy, each about 150

miles from Paris, with Shropshire, Derbyshire, or other counties, at a similar distance from London.

Another point to which travellers are seldom sufficiently attentive is, that the degree of difference between one province and another, and even between one country on the Continent and another, is much smaller than it at first appears. Take, for example, the north and south of France, countries very different in climate, produce, and habits. At first the south appears much cheaper, affording in abundance wine, fruit, and other articles, for which we are made to pay so extravagantly in England; but these, on a closer examination, are found to be counterbalanced by the price of corn always higher there than in the northern districts of France. Again, the lower wages of labour, in a backward province like Brittany, make a very slight difference ultimately, when we take into account the inferiority of the labourers. Similar remarks are applicable to Germany, Italy, Switzerland; neither the amount of taxation, the interest of money, the state of husbandry, or any of the main constituents of price being so materially different as to cause any great difference in the expence of living. Accordingly, after all the assertions and exaggerations of travellers, the distinctions on the Continent are merely

1. That provincial towns are considerably less expensive than capitals.

2. That by living in a petty town, or in the country, a farther reduction of expence may be accomplished, but with a greater sacrifice of comfort than is implied by a country residence in England.

3. That in consequence of the want of water communication, the price of bulky commodities, such as corn or wood, varies more in the provinces of the Continent than in the counties of England; still the difference is less great than is often asserted, (Edinburgh Review, Vol. LXIV. p. 362.) land carriage on the Continent being very moderate in consequence of the insignificance of tolls and turnpike dues.

4. That taking France as the representative of the Continent at large in point of expence, the difference with England, great during the war (particularly from 1809 to 1814), is at present not more than 15 or 20 per cent.; any disburse beyond that proportion being attributable, not to difference of prices, but to additional comfort or luxury.

To what degree did a difference of price exist between France and England prior to the French Revolution?

Our materials for such a comparison are far from complete: the tables collected by the late Arthur Young in 1789 indicate a considerable inferiority of price, but the articles quoted are chiefly agricultural; and had manufactures been included, the general result would have been less unfavourable to England. If we revert to a prior date, such as the middle of last century, we shall find reason to consider the two countries nearly on a par. At that time England was not much more heavily taxed than France, nor were our manufactures or corn dearer, for both were articles of export. The result accordingly is, that prior to 1760 the only material distinction between the two countries consisted in the style of living; the proportion of English population in towns being even then considerably greater, and the inhabitants consequently requiring comforts little known or thought of in the provincial part of France.

Mr. M'Culloch, in his "Essay on reducing the Interest on our National Debt," published in 1816, maintains, in contradiction to common opinion, that the rise in the price of corn on the Continent during the last half century has, on the whole, been inconsiderable. He goes into the question at great length, treating in succession of France, Spain, Italy, and the countries on the Baltic, and adducing several cogent arguments in opposition to those who maintain, that there took place on the Continent a rise of prices nearly correspondent to the rise in this country. His conclusions are, that in France there was *no rise* in the price of corn: that in Italy the rise was a consequence of the extension given to the freedom of trade; and that the partial advance which he admits to have taken place in Russia and Poland was a necessary result of the degree of improvement introduced in the present age into these very backward countries. To this statement we have merely to offer the qualifications naturally arising from a state of war. In the long period from 1793 to 1814 every state on the Continent was either engaged in hostilities, or obliged to increase its taxes and military establishment. In all these was felt a portion of the activity or excitement so conspicuous in England during the war, followed in all by a stagnation similar, though not equal in degree, to that which we have experienced since the peace. The consequence was, that prices rose during one period and fell in the other; but to ascertain the extent of change is a matter of great difficulty, there being few official returns in any part of the Continent, and the question being somewhat perplexed by

the circulation of government paper so general during the war. On the whole, however, there took place, in family expenditure, calculated on a comprehensive plan, and including along with corn and butcher meat, wages, house-rent, fuel, &c. a rise of from 25 to 30 per cent. on the prices of 1792; a rise which has, in a great measure, disappeared in the continued reduction since the peace.

In forming conclusions on the price of corn, allowance ought evidently to be made for particular causes operating in particular countries: — thus in France, the abolition of tithe, and the sale of the church lands, promoted tillage to a degree which nearly counteracted the rise of labour attendant on the war.

Annual Expence of the family of an Agricultural Labourer, supposed to consist of 5¾ persons; being an average of the expence of 65 families of labourers, in different parts of England, collected by Sir F. Eden, in 1796.

	£	s.	d.
Provisions	27	1	8
Rent	1	13	3
Fuel and candles	2	10	7
Clothes and washing	4	18	0
Contingencies	0	10	10
	£36	14	4

The same table with an addition of 25 per cent. to the respective heads of expence, for the rise of prices, between 1796 and 1820.

	£	s.	d.
Provisions	33	17	1
Rent	2	1	7
Fuel and candles	3	3	3
Clothes and washing	6	2	6
Contingencies	0	13	7
	£45	18	0

At present (1822) provisions are not higher than in 1796.

Conjectural estimate of the expence of a family of the middle class, living in London or its immediate neighbourhood; composed of six persons, including two maid-servants.

Provisions	£166	13	4
Fuel and light	29	3	4
Rent	58	6	8
Taxes, assessed and parish	25	0	0
Servant's wages	18	6	8
Clothes and washing	91	13	4
Education, repair of furniture, medical attendance, and all contingencies	110	16	8
	£500	0	0

We have introduced the latter computation chiefly for the purpose of shewing that the same heads of expence will be found to bear a very different proportion in different classes; thus,

	Family of the agricultural labourer.	Family of the middle class, living in London on 500*l.* a year.
	Parts in 100.	Parts in 100.
Provisions	74	33½
Clothes and washing	13	18½
Rent	4½	11⅝
Fuel and light	7	6
Contingencies	1½	
Assessed taxes and poor-rate	—	5
Servant's wages	—	3½
Education, charity, repair of furniture, and all contingencies	—	22
	100	100

Table comprising articles of general consumption, to each of which is affixed the probable amount of money expended on it by the public, referred to in the text, p. 278.

Articles.	Quantity consumed.	Average price.	Expended by the public on each article.
Produce of the Soil.	Qrs.	s.	£.
Wheat	12,000,000	50	30,000,000
Barley (used chiefly in the brewery and distillery)	7,200,000	25	9,000,000
Oats (the portion appropriated to human food)	10,000,000	20	10,000,000
Butcher meat and animal food generally	—	—	35,000,000
Manufactures.			
The following sums representing the value, exclusive of exports, are, of course, considerably below the total of the value annually prepared	—	—	—
Woollens	—	—	20,000,000
Cottons, (the exports exceed 20,000,000*l.*)	—	—	12,000,000
Linen	—	—	15,000,000
Silk	—	—	8,000,000
Leather	—	—	15,000,000
Hardware	—	—	9,000,000
Foreign Articles, such as			
Sugar	—	—	9,000,000
Tea	—	—	8,000,000
Various other articles of sufficient importance to be specified, and the amount of which it would probably be practicable to ascertain from official documents	—	—	100,000,000
A multiplicity of articles of less importance, which being in a great measure superfluities, and dependent for their consumption on the taste of individuals, require to be noticed no further than by assigning to them collectively their proportion to the aggregate: this proportion we shall at present suppose to be 20 per cent., or	—	—	70,000,000
Total annual consumption	—	—	350,000,000

Such is, or rather would be when completed, a table of our annual consumption at the present time. In framing

or correcting such a table, we have evidently to consider two main points; the quantities consumed, and the price. As to quantity, a variation can take place only with increase of population or change of habits, and any alteration of that kind must be so gradual, that we run very little hazard in assuming a similarity of amount during a given period, which, for the sake of precision, we shall suppose to be five years. As to price, the case is different; the produce of the soil may, from casualty in the seas ', rise 10 or 20 per cent., while our manufactures may experience a fall. The result, as far as founded on prices, must therefore undergo some change annually: for the sake of illustration we shall suppose in one year a change differing in different articles, but ending in an average rise of 5 per cent.: thus: —

Articles.	Quantity consumed.	Average price.	Expended by the public on each article.
Produce of the soil computed on the same quantities; but with an addition of 10 per cent. to the prices.	Qrs.	*s.*	£.
Wheat - - - - -	12,000,000	55	33,000,000
Barley - - - - -	7,200,000	27	9,900,000
Oats - - - - -	10,000,000	22	11,000,000
Butcher meat and animal food enhanced in the same proportion - - - - -	—	—	38,500,000
Manufactures; here we suppose a decrease of 5 per cent.: thus:			
Woollens - - - -	—	—	19,000,000
Cottons - - - - -	—	—	11,400,000
Linen - - - - -	—	—	14,250,000
Silk - - - - -	—	—	7,600,000
Leather - - - - -	—	—	14,250,000
Hardware - - - -	—	—	8,500,000
Foreign articles.			
Sugar the same - - -	—	—	9,000,000
Tea the same - - - -	—	—	8,000,000
In the other component parts of the table the fluctuations are supposed to change the amount of 170,000,000*l.* to - -	—	—	181,100,000
Total -			367,500,000

The final change supposed in this statement is that 105*l.* are required to effect the purchases for which 100*l.* sufficed in the preceding year.

To those who apprehend the complexity of such calculations, we would observe, that there would be no necessity on the part of individuals to ascertain the price and quantity of every article; that the details would rest with persons employed for the purpose; and that the public would require to know only the result, which, as in the present returns of the averages of sugar and corn, might be communicated in a few sentences.

Apportionment of the respective Articles in the former Table.

Articles consumed.	Expenditure on each Article.	Proportion of the expenditure on each article to the total expenditure of the public, calculated in parts of 100.
	£.	
Wheat - - - - - -	30,000,000	8.57
Barley - - - - - -	9,000,000	2.57
Oats - - - - - -	10,000,000	2.85
Butcher meat and all animal food -	35,000,000	10.
Woollens - - - - -	20,000,000	5.71
Linen - - - - - -	15,000,000	4.28
Leather - - - - - -	15,000,000	4.28
Cottons - - - - - -	12,000,000	3.42
Silk - - - - - -	8,000,000	2.28
Hardware - - - - -	9,000,000	2.57
Sugar - - - - - -	9,000,000	2.57
Tea - - - - - -	8,000,000	2.28
All other heads of national consumption	170,000,000	48.62
Total -	350,000,000	100

Ought a Table of National Consumption to comprise the smaller Heads of Expenditure? — To calculate the smaller items of expenditure would be a task of great difficulty, and, as far as we can judge, of little utility, since it is easy to make an allowance for the proportion omitted. Besides, we ought to introduce into the table no sum of which the accuracy is not ascertained with considerable confidence from official documents, and of which the importance is not such as to reward the labour of inquiry and comparison. Were the articles enumerated to form only 50 per cent. of the total national consumption, the result, supposing them to be articles of general use, would afford a very fair scale for comparing the prices of different years. A table complete in all its parts would, doubtless,

be preferable; but as the heads of our public offices, like our individual inquirers, are as yet only in an early stage of statistical research, a considerable time must elapse ere their materials acquire a finished form.

In the case of the lower orders, a knowledge of the cost of a few great heads of expenditure, such as corn, coarse clothing, beer, fuel, would be found sufficient. There ought evidently to be a material difference in the plan of a table for them and of one for their superiors, a consideration which leads us to another query in this interesting but somewhat intricate discussion.

How far are particular Tables required for particular Classes? — A scale formed on the table in the text is adapted to very many persons in the middle and upper classes, — to the receivers of annuities, whether from the public funds or mortgages, — the landlord who depends on his rent, — the clerk who depends on his salary. But in regard to several of the classes currently termed productive, the question is different, as will appear from a reference to a specific case, such as that of

Farmers on Lease. — The situation of the farmer on lease, though materially affected by the value of money in purchase, depends still more on the price of the produce he raises: — of corn, if his occupancy be chiefly under the plough; of butcher meat, butter, cheese, if it be chiefly grass land. Leases ought thus to be drawn with a reference to the market price of produce, computed on the average of a series of years. Or, if a regulator of a more comprehensive character be desired, the price of the produce might be combined with a table of the price of commodities generally, (Appendix, p. 95.) taking the latter as the basis; but modifying its result by repeating the price of corn or of butcher meat a certain number of times, so as to give due weight to these main constituents of the income of the lessee.

The average rate of labour, an object of the first importance in farming, might, in like manner, be added to the table, and repeated several times.

Mines. — In an undertaking of this nature, the profit evidently depends on two points: the market price of the articles produced (whether coal, iron, tin, or copper); and the average rate of the labour by means of which it is rendered saleable. There are thus two ways of stipulating the conditional amount of the rent: by a table confined to the rate of labour and the price of the article produced; or by a table of the price of commodities generally, (as in p. 95.) with such repetitions of the rate of labour, or price

of the article produced, as the contracting parties might think expedient.

Tithe. — The case of tithe is different from that of rent. It is in evidently more convenient to clergymen that the price of commodities generally should be the standard, than the price of agricultural produce. The latter determines, it is true, the ability of the payers of tithe; but as the payers are many, and the receivers comparatively few, as that which to the latter forms the whole of income is to the former only a portion of their disburse, the circumstances of the clergy have a claim to prior consideration; that is, without showing the slightest partiality to either party, equity suggests that the regulation of clerical income should be made with a view to the value of money in the purchase of commodities generally, and not exclusively in the purchase of corn, which can form hardly a fifth of their expenditure.

It would be no difficult task to suggest farther modifications for different lines of business; but to enter into detail seems wholly unnecessary, since every thing in the proposed plan is voluntary, and may be adopted or omitted, as may suit the interest, or imagined interest, of the contracting parties. We shall, therefore, take leave of the question, after answering, by anticipation, a few objections, as follows:

1. *Need there be any apprehension of a combination to produce undue returns of prices for the purpose of affecting the standard of particular contracts?* — Attempts of that nature are very little to be dreaded in so extensive a country as this: they could be effectual only if undertaken throughout the whole kingdom, and persevered in during a series of years; a course which would suppose a command of capital, and a degree of concealment, wholly at variance with probability.

2. *Would a measure of this nature be likely to affect the sale price of other property, in particular, of lands and houses?* — The majority of fund-holders are, as we shall explain subsequently, permanent depositors; strangers to the manœuvres of the Stock Exchange, and almost as little inclined as our land-holders to engage in speculative sales and purchases. But there is another class, persons retiring from business, succeeding to property, or having, from any other cause, funds of which they are desirous to make the investment. To these persons stock would, by the measure in contemplation, be rendered more eligible as a permanent deposit, and the motives for purchasing landed property would in some degree be lessened. But the complaint of

the country gentlemen does not regard inadequacy of sale price: instead of the 26 or 27 years' purchase to which they were accustomed during the war, land will now sell for 34 or 35 years' purchase: their *desideratum* is an assured income,—relief from present pressure; and such, to a certain extent, would be the result of the proposed measure.

3. It may be objected to our table, that "it does not comprise any heads of expenditure, except those represented by commodities;" while a considerable part of the disburse of the middle classes (not less than a third), is of another description, as appears from the concluding line in the following sketch:

	Proportions in 100 of each head of expence.
Provisions - - - -	33
Clothing and washing - - -	18
Fuel and light - - - -	6
House rent - - - -	10
Other charges, namely, wages, assessed taxes, education, medical attendance, &c. - -	33
	100

To the objection that might be founded on a statement like this, our answer would be, that the money paid for wages, education, professional aid, &c. is ultimately expended on commodities; and were the case otherwise, there seems no necessity that a scale should comprise *all* the items of expenditure. But supposing, for the sake of illustration, that such were the case, the political arithmetician might divide our population into twelve, fifteen or more classes, taking as an auxiliary in his computations the returns under the property tax, with the estimates of Sir F. Eden, Mr. Barton, amd others, and forming out of the whole a general table: thus,

Families.	Provisions.	Clothing and washing.	House rent and taxes.	Fuel and light.	Education, wages, medical attendance, &c.
	£.	£.	£. s.	£. s.	£. s.
Of a cottager expending only 37*l.* a-year - -	27	5	1 15	2 10	0 15
Of a mechanic in town; expending 52*l.* a-year	37	7	3 0	3 0	2 0
Of the middle class, expending 250*l.* a-year	105	55	35 0	20 0	35 0
Ditto, expending 500*l.* a-year - - -	167	92	83 0	30 0	128 0

To these there would of course remain to be added a number of classes of various rates of expenditure.

Were it intended to compute from such tables the consumption of the *nation at large*, the obvious course would be, to form a product by multiplying the sums in each column by the number of families in each class. A sketch on the above plan might receive improvement by a subdivision into a variety of columns, distinguishing the head of incidental charges into wages, taxes, medical attendance, education, &c. But we need enter into no farther explanation, since these tables, however proper for particular classes, must, in a general view, present a very uncertain conclusion. They are, besides, not wanted in regard to the national consumption; because the desired result may be obtained in a more simple and satisfactory form by the mode already pointed out.

APPENDIX

TO

CHAPTER X.

On Finance.

Sinking Fund. — On this subject a few explanatory paragraphs may be acceptable to those of our readers who are not initiated in the mysteries of the Treasury or Stock Exchange.

The Supplies constituting our Sinking Fund. — The complex form of our budget, and the appearance of inviolability given to the sinking fund, may induce persons in common life to imagine that that fund derives part of its income from taxes vested in the commissioners, and managed by them without reference to the rest of the revenue. The appropriation, however, never went so far: the income of the Sinking Fund, paid to the Commisioners at the bank arises chiefly from

1st. The 1,000,000*l.* (increased in 1702 to 1,200,000*l.*) annually payable out of the general revenue.

2d. The dividends of redeemed stock, which, standing in the name of the Sinking Fund Commissioners, are considered as entitled to interest at the quarterly payments at the bank in the same manner as the rest of the public debt.

3d. The surplus interest provided on contracting each loan since 1793. This provision, adopted by Mr. Pitt on the suggestion of Dr. Price, will be understood by supposing that the loan for a particular year is 10,000,000*l.* at 5 per cent. for which stock given in the 5 per cents. at par,

involves an annual charge of 500,000*l.* Now the plan was, to provide taxes yielding not 500,000*l.* but 600,000*l.* a year, the 100,000*l.* forming a fund for the gradual extinction of the principal—a purpose which in the case in question would be accomplished in 37 years.

The merits or demerits of this plan of surplus interest are now only matters of historical curiosity, the season of loans being past, or at least suspended. The question, however, is not merely arithmetical: it is, in a great measure, similar to that of the expediency or inexpediency of war taxes; and if the war was a season of large profits, it was evidently politic to make it bear as large a portion as possible of our burdens. It is in a consideration of this nature, and not in the imaginary advantage of compound interest, that we are to seek for a justification of the measure of providing a surplus interest; we mean for a counterpoise to the sacrifice with which it may easily be shewn to have been attended.

Ought the nominal Sinking Fund to be kept up?—It was for some time a question whether, when our sinking fund exhibited a surplus, which, for illustration, we shall call 17,000,000*l.*, and the revenue a deficiency which we shall term 12,000,000*l.*, the better plan was to leave the 17,000,000*l.* to operate in weekly purchases for the redemption of stock, and supply the revenue deficiency by a loan, or to adopt the more simple course of receiving from the sinking fund the 12,000,000*l.*, and confining the redemption purchases of the commissioners to 5,000,000*l.* This gave rise to considerable discussion in the first years of peace, the former plan being maintained by the converts to the doctrine of compound interest, the believers in the arithmetical wonders of Dr. Price. But in 1819 ministers consented to adopt the latter course, and found in it, (see Ricardo on the Funding System, in Napier's Supplement to the Encyclopædia Britannica,) a degree of advantage which may be said to have given the first blow to the complex plan of paying with one hand, while we borrowed with the other.

The topic was again brought under discussion last session, in the debates on the plan for converting our half-pay and pensions into long annuities. On that occasion ministers, unwilling to part with the semblance, after they had relinquished the substance of the sinking fund, urged for a time the expediency of making the requisite loans from the public, but were at last persuaded to follow the direct course, and to admit of the loans being made from the

portion of revenue at their disposal. The sinking fund is thus divested of its complexity, and brought back to a form from which, as far as we can judge, it ought never to have been made to deviate, that of the balance of current revenue applied to the redemption of stock.

Comparison of our present burdens with those of 1792.

Amount of taxation, tithe, and poor rate, in Great Britain and Ireland in 1792 -	£22,000,000
The increase of our population since then (nearly 50 per cent.) enables us, without additional pressure on the individual, to bear a farther burden of - - - -	11,000,000
Continental countries, our competitors in productive industry, having, in general, increased their burdens in a ratio somewhat greater than their population, we are justified (see Appendix, p. 14.) in regarding a corresponding increase on our part, as not detrimental to our foreign trade. We add, on this account, a sum of -	£5,000,000
The money in which taxes were paid in 1792, being, when compared with our present currency, as 100 to 120 in value, we make a corresponding insertion of - - - on the ground that to that extent, the excess of our present taxation over that of 1792, *is nominal.*	7,000,000
Amount of burden which can be borne by us at present, without greater disadvantage, in comparison with other countries, than we experienced in 1792 - - -	£45,000,000

We here assume the increase of population as the measure of the increase of national wealth, arising from our various improvements in agriculture, manufacture, navigation, &c. This proportion will be deemed considerably below the mark, by the majority of those who write or think on such subjects, whether it be the convert to Mr. Gray's doctrine, (p. 229.) that in the progress of society individual income increases in a *larger ratio* than population, or the practical observer, who founds his calculation on the surprising improvements, bysteam machinery and otherwise, during the last thirty years. These arguments rest, doubtless, on a very substantial basis, and nothing but the unfor-

tunate fluctuations in individual property, attendant on our rapid transitions, would have prevented us from inserting a larger sum (probably 16 or 18,000,000 instead of 11,000,000*l.*) as the measure of the increase of national wealth, arising from our improvements.

Correspondence of the table with our previous calculation. — We have already, in the text, (p. 259.) calculated the increase of our burdens since 1792, compared to our resources in the proportion of 18 to 27. A similar result will be found to follow from the preceding table; the 45,000,000*l.* in which would form a burden of only 18 per cent. on our resources as in 1792, while our actual burdens amount (p. 259, and Appendix, p. 84.) to 27 per cent.

The Malt Tax. — The hopes of the agriculturists were at one time excited by the expected repeal of a large share of the duty on malt; but, while we sympathize with their sufferings and anxiously desire a diminution of their tithe and poor rate, we cannot help expressing a doubt of the expediency of any great reduction of taxation on an article already so much cheapened by the fall of the materials. Sudden changes are to be avoided: malt liquor comes only in some respects, under the description of a necessary of life; and the extended cultivation of barley that might have been prompted by a reduction of duty, would probably have prevented any material rise in the price.

To Mr. Rickman, Clerk Assistant of the House Commons, (who has prepared the successive Popula Abstracts of 1801, 1811, 1821,) I am indebted for m useful information, in particular for

A Comparative View of the Area and Productive Powe the several Counties of England and Wales.

COUNTIES ACCORDING TO THEIR AREA.

Counties.	Square Statute Miles.	Counties.	Squ Stat Mil
1. York	5,961	30. Surrey	7
2. Lincoln	2,748	31. Berks	7
3. Devon	2,579	32. Oxford	7
4. Norfolk	2,092	33. Bucks	7
5. Northumberland	1,871	34. Worcester	7
6. Lancaster	1,831	35. Hertford	5
7. Somerset	1,642	36. Monmouth	4
8. Southampton	1,628	37. Bedford	4
9. Kent	1,537	38. Huntingdon	3
10. Essex	1,532	39. Middlesex	2
11. Suffolk	1,512	40. Rutland	1
12. Cumberland	1,478		
13. Sussex	1,463	England	50,5
14. Wilts	1,379		
15. Salop	1,341		
16. Cornwall	1,327	1. Carmarthen	9
17. Gloucester	1,256	2. Montgomery	8
18. Stafford	1,148	3. Glamorgan	7
19. Durham	1,061	4. Brecon	7
20. Chester	1,052	5. Cardigan	6
21. Derby	1,026	6. Merioneth	6
22. Northampton	1,017	7. Denbigh	6
23. Dorset	1,005	8. Pembroke	6
24. Warwick	902	9. Carnarvon	5
25. Hereford	860	10. Radnor	4
26. Cambridge	858	11. Anglesey	2
27. Nottingham	837	12. Flint	2
28. Leicester	804		
29. Westmorland	763	Wales	7,4
		Total	57,9

Scotland and Ireland are nearly equal to each other in Area, an gether are equal to or somewhat larger than England and Wales. Assessed Rental of Scotland in 1811 was £5,899,564.

COUNTIES IN ALPHABETICAL ORDER.

Counties.	I. Square Statute Miles.	II. Rental of Land.	III. Annual Value of Sq. M.	IV. Resident Population, 1821.
		£.	£.	Persons.
Bedford	463	272,621	619	83,716
Berks	756	405,150	611	131,977
Bucks	740	498,677	715	134,068
Cambridge	858	455,215	571	121,909
Chester	1,052	676,864	684	270,098
Cornwall	1,327	566,472	470	257,447
Cumberland	1,478	469,250	327	156,124
Derby	1,026	621,695	624	213,333
Devon	2,579	1,217,547	516	439,040
Dorset	1,005	489,025	538	144,499
Durham	1,061	506,063	500	207,675
Essex	1,532	904,615	692	289,424
Gloucester	1,256	805,153	680	335,843
Hereford	860	455,607	585	105,231
Hertford	528	342,350	734	129,714
Huntingdon	370	202,076	574	48,771
Kent	1,537	868,188	651	426,016
Lancaster	1,851	1,270,344	718	1,052,859
Leicester	804	702,402	891	174,571
Lincoln	2,748	1,581,940	594	283,058
Middlesex	282	349,142	1,325	1,144,531
Monmouth	498	203,576	436	71,835
Norfolk	2,092	951,842	509	344,368
Northampton	1,017	696,637	702	162,483
Northumberland	1,871	906,789	520	198,965
Nottingham	857	534,992	650	186,873
Oxford	752	497,625	709	134,327
Rutland	149	99,174	692	18,487
Salop	1,341	758,495	610	206,266
Somerset	1,642	1,355,108	876	355,314
Southampton	1,628	894,020	455	282,203
Stafford	1,148	756,635	693	341,824
Suffolk	1,512	694,078	537	270,542
Surrey	758	369,901	550	398,658
Sussex	1,463	549,950	445	232,927
Warwick	902	645,139	744	274,392
Westmorland	765	221,556	299	51,359
Wilts	1,379	810,627	652	222,157
Worcester	729	516,203	772	184,424
York { East Riding	5,961	3,111,618	541	190,709
York { North Riding				183,694
York { West Riding				800,848
England	50,553	27,890,554	595	11,260,555

COUNTIES IN ALPHABETICAL ORDER.

Counties.	I. Square Statute Miles.	II. Rental of Land.	III. Annual Value of Sq. M.	IV. Resident Population, 1821.
		£.	£.	Persons.
Anglesey - - -	271	65,121	288	45,065
Brecon - - -	754	108,446	154	43,613
Cardigan - - -	675	101,550	175	57,311
Carmarthen - -	974	224,152	244	90,239
Carnarvon - -	544	90,848	192	57,958
Denbigh - - -	633	182,674	331	76,511
Flint - - -	244	118,615	536	53,784
Glamorgan - -	792	210,760	284	101,737
Merioneth - -	663	83,451	137	33,911
Montgomery - -	839	152,008	198	59,899
Pembroke - - -	610	160,617	284	74,009
Radnor - - -	426	88,250	229	23,073
Wales -	7,425	1,586,498	235	717,108
Total -	57,960	29,476,852	549	11,977,663

Column I. The Area of these counties was measured on Arrowsmith's last map (date 1815--1816), which was formed on the trigonometrical survey. The process of squaring and computing the miles, as well as of estimating the parts of miles on the borders of each county, having been performed with much care and labour, the inaccuracies are few and inconsiderable.

Column II. The Rental is taken from the Property-tax return for the year ending April, 1811, (see p. 66. of the Property Tax Accounts, printed 26 Feb. 1813.) The fall of rent on the one hand and extension of culture on the other, probably render this return, though comparatively of old date, a tolerably accurate representation of the *present* rental of the kingdom.

Column III. Annual Value of Land by the square mile of 640 statute acres. This is computed from the "rent and tithe collectively," and the average of England and Wales in 1811 was 17*s.* 2*d.* per acre: the counties which take the lead are Leicester and Somerset, and the chief cause of superiority is the extent of good pasture ground, which, of course, yields a return at little expence.

One method of computing the productiveness of land under tillage is to "take for each county the number of

families employed in husbandry, and to divide by it the amount of rent and tithe." The result may be said to exhibit the "average net produce of the labour and capital of each family thus engaged," and indicates, we believe with tolerable accuracy, the progress of the improved husbandry. For England and Wales the average, in 1811, was 41*l.* The proportion was by no means greatest in the counties adjacent to the metropolis; for while in Hertfordshire and Surrey it varied from 30*l.* to 40*l.* per family of agriculturists, in Lincoln and Durham it exceeded 50*l.*, and in Northumberland went considerably beyond that amount. A return of this nature, made after rents assume a settled form, would evidently be a very interesting document.

CENSUS OF 1821.

England, Scotland and Wales; Increase of the Population since 1811, *exhibited by Counties.*

Counties.	Increase per cent. from 1811 to 1821.	Counties.	Increase per cent. from 1811 to 1821.	Counties.	Increase per cent. from 1811 to 1821.
Peebles	1	York, E. Riding	14	Durham	17
Sutherland	1	Aberdeen	15	Linlithgow	17
Perth	3	Bute	15	Somerset	17
Forfar	6	Derby	15	Banff	18
Kincardine	6	Devon	15	Gloucester	18
Salop	6	Essex	15	Norfolk	18
Kinross	7	Inverness	15	Bedford	19
Berwick	8	Kirkcudbright	15	Chester	19
Nairn	9	Montgomery	15	Cornwall	19
Clackmannan	10	Northampton	15	Denbigh	19
Merioneth	10	Nottingham	15	Lincoln	19
Hereford	10	Orkney and Shetland	15	Glamorgan	20
Radnor	10	Hampshire	15	Middlesex	20
Roxburgh	10	Wilts	15	Warwick	20
Elgin	11	Worcester	15	York, N. Riding	20
Argyle	12	Brecon	16	Cambridge	21
Berks	12	Dorset	16	Renfrew	21
Stirling	12	Flint	16	Anglesea	22
Westmorland	12	Hertford	16	Ayr	22
Dumbarton	13	Huntingdon	16	Pembroke	22
Dumfries	13	Leicester	16	Surrey	23
Fife	13	Monmouth	16	Sussex	23
Haddington	13	Northumberland	16	York, W. Riding	23
Ross and Cromarty	13	Stafford	16	Wigton	24
Oxford	13	Suffolk	16	Lanark	27
Rutland	13	Cumberland	17	Lancaster	27
Selkirk	13	Carmarthen	17	Caithness	29
Buckingham	14	Carnarvon	17	Edinburgh	29
Cardigan	14				
Kent	14				

The *ratio* of most frequent occurrence is 15 per cent., or an average between 13 and 17 per cent. In several counties the augmentation is to be ascribed to the increase of the principal towns; thus the increase of Middlesex is the increase of London, Surrey of Southwark, Warwickshire of Birmingham, Lanarkshire of Glasgow, and Lancashire of Manchester, Liverpool, Preston, &c. In the remote county of Caithness, the increase is owing to the extension of the herring fishery; while the almost stationary condition of the adjoining county of Sutherland is owing to the emigration of cottagers, and the conversion of their petty occupancies into pasture ground.

England and Wales: Progressive Increase of our Population.

Its amount in	1801	9,343,578
Ditto	1811	10,791,115
Ditto	1821	11,977,663

Progressive Increase in the Ten Principal Towns of England.

	Year 1801.	Year 1811.	Year 1821.
London	900,000	1,050,000	1,225,964
Manchester	81,020	98,573	133,788
Liverpool	77,653	94,376	118,972
Birmingham	73,670	85,753	106,722
Bristol	63,645	76,433	87,779
Leeds	53,062	62,534	83,796
Plymouth	43,454	56,060	61,212*
Portsmouth	32,166	40,567	45,648
Norwich	36,832	37,256	50,288
Newcastle-on-Tyne	28,365	37,587	46,948

Scotland. — Here the *ratio* of increase in the towns, particularly Edinburgh and Glasgow, has been equally great.

Ireland. — The returns previous to 1821 were too imperfect to afford the means of calculating the progressive increase of population, nor have those of last year as yet been given to the public in a satisfactory form: the general result is, that the population of all Ireland amounts in round numbers to - - - - - - 7,000,000

That of the principal towns,

Dublin	186,276
Cork	100,535
Limerick	66,042

Great Britain: Return of 1821.

Distribution into Classes.	Families.	Proportions to the whole population in parts of 100.
Employed chiefly in agriculture	978,656	33
Do. in trade, manufactures, mechanical employment, &c. -	1,350,293	46
In all other situations - - -	612,488	21
		100

Proportion of Agricultural Population. This varies greatly, according to the particular county. In a highly manufacturing county, such as Lancashire, it is not half the above average; in Yorkshire, which in the West Riding is manufacturing, and in other parts agricultural, the return approaches to the average, but is still somewhat below it; while in Sussex, Essex, Suffolk, where there are so few manufactures, it greatly exceeds it, being above 50 in 100; in Cambridgeshire, Bedfordshire, and Herefordshire, the proportion is the largest of all, being above 60 in 100.

Census of 1377.—As a matter of historical curiosity, we subjoin the population of the principal towns of England in the year 1377, when an enumeration was made on account of a poll-tax:

London - - -	35,000	Colchester - -	4,500
York - - -	11,000	Canterbury - -	4,000
Bristol - - -	9,000	Beverley - -	4,000
Plymouth - -	7,000	Newcastle-	4,000
Coventry - -	7,000	Oxford	3,500
Norwich - - -	6,000	Bury, Suff	3,500
Lincoln - - -	5,000	Gloucester	
Sarum, Wiltshire -	5,000	Leicester	
Lynn - - -	5,000	Shrewsbury	

In that remote age the total population o
2,300,000; but the proportion of town populati
smaller than at present, since the number of towns co
ing above 3000 inhabitants was only 18.

Agricultural Report of 1821.

No public document was ever more eagerly expected, or more generally perused, than the Agricultural Report of 1821. How far, it may be asked, can it be said to have fulfilled the public expectation? On the ground of impartiality and liberality of view, no reasonable disappointment can have been experienced, but the composition of the Report was by no means of equal merit with its substance. We do not allude to a deficiency of those graces of style which custom does not require in a parliamentary paper, and which would probably be misplaced there, but to a want of that brevity and arrangement which in any composition are indispensable to a distinct conception of the language of business. The Report begins without any sketch or outline of its objects, and terminates with a very limited summary of its conclusions. The consequence has been that many have read, but few have understood it; for he who aims at understanding it thoroughly, or at viewing it in its *ensemble*, must go over the whole, not as a reader but as an analyzer; forming an arrangement for himself, frequently altering the succession of the arguments, and collecting them under a few general heads. This trouble we have [illegible] it in some measure incumbent on us to

[illegible] the Committee was, to express ourselves [illegible]ge, "to consider the various petitions com[illegible]epressed state of our agriculture, to inquire [illegible]ations of the petitioners, and to report their [illegible]ions thereupon." In pursuance of this authority, [illegible]xamined a number of witnesses, and composed the [illegible]t partly from the evidence, but, in a far greater pro[illegible] from their own views and conclusions on the corn[illegible]nsidered as a general question. The whole may be [illegible]mbrace the following topics.

[illegible]*ion of the distress of the Agriculturists; Attempt to [illegible] its course, and to define its extent; Reference to [illegible]riods of distress.*

Principles of our corn-trade; Historical retrospect; its prosperous state from 1773 *to* 1814, *a period comparatively exempt from legislative interference. Various disadvantages of our present corn-law; Modifications suggested, particularly a moderate fixed duty on foreign corn.*

Examination of the petitions of the Agriculturists with regard to taxes; of the high duty (40*s. per quarter*) *which they propose on foreign wheat; and, lastly, their objections to the unlimited warehousing of foreign corn.*

After this summary we proceed to an

Abstract of the Report.

Admission of the Distress of the Agriculturists.—The complaints of the farmers and others in the numerous petitions referred to the Committee appear but too well grounded, the present price of corn being by no means adequate to the charge of raising it, and the tenant having to pay from his capital a considerable proportion of his outgoings. Though the pressure thus caused on the farmer has materially affected the retail business of shopkeepers in country towns, it appears by official returns that the consumption, in the kingdom at large, of the principal articles subject to excise and customs increased in 1820, when compared with the average of the three preceding years; as also that the quantity made of our chief manufactures has on the whole received an increase. Rents, likewise, have as yet been paid without much arrear, except in particular districts; a punctuality which seems to afford a ground for hoping that the tenantry possess resources which will enable them to surmount their difficulties, especially as landlords have been induced to lower their rents in many ins[illegible]es, not only on new leases but on subsisting contracts.

Examples of similar Embarrassment.—Ho[illegible] this pressure is to be lamented, revulsions [illegible] nature, if not to the same degree, have occurre[illegible] periods of our history, particularly in the yea[illegible] 1814. The discussions in the latter years cannot [illegible] to recollection without our being forcibly struck wit[illegible] conformity of the statements and opinions then give[illegible] the ruinous operation of low prices, with those in the [illegible] dence annexed to this Report: yet in this, as well [illegible] several preceding instances recorded between the midd[illegible] the 17th and that of the 18th century, the fears of [illegible] who reasoned on their continuance and increase we[illegible] cessively dissipated by the natural course of seaso[illegible] events. In agriculture, and in all pursuits in which

and industry are embarked, there have been and will be periods of re-action: a re-action proportioned to the previous prosperity of the pursuit, and the degree of personal exertion and investment of capital prompted by that prosperity. There exists in the distribution of capital and labour, a natural tendency to remedy such disorders, and any interference on the part of the legislature has often operated to prolong them.

Cause of the Rise of Prices in War, and of their subsequent Depression.—The increase of rent during the late wars was owing to two main causes,—the diminished value of our currency, and the extensive investment of capital in land. The proportion of increase to be ascribed to either cause cannot be defined with accuracy. The restoration of the currency naturally tends to lower rent as far as it had been raised by the depreciation of our paper, but the *quantum* of such reduction cannot be determined at the present moment; because our currency, after having so long been below, now appears to be above its standard. The coffers of the Bank have been replenished in the course of the last and the present year, and in a great measure by withdrawing coin from circulation on the Continent of Europe, while the separate currency of this kingdom has at the same time undergone a contraction. To these measures the Committee cannot but ascribe a part of the depression of prices, and they incline, therefore, to the belief that the ultimate *effect on rent of a resumption of cash payments* will fall far short of some of the predictions suggested by the present alarm. The diminution of rent from this cause cannot, they think, in the end exceed that part of the increase which, during the wa[r] grew out of depreciation; and, if circumstances are f[a]vourable, it may not perhaps go so far.

[Co]mmodities have fallen in Price.—A fall of [pr]ice has of late years taken place in several [ar]ticles in a great variety of articles: it applies to the [co]tton, the rice, and the tobacco of the United [St]ates, the sugar and rum of the West Indies; to the [he]mp, flax, timber, iron, wool, and corn of the Continent of Europe. In all these articles, the proportion of fall has been equal, *in some cases more than* equal, to the fall in the price of corn in England; although, in commodities different from corn, the same causes cannot be considered as operating. So general a depression of money price can be explained only by the derangement produced by the revolutions of the last thirty years; a derangement pervading all the relations of commerce in the application of

capital and the demand for labour; and which will not cease until the habits and dealings of individuals, as well as the intercourse of nations, shall have adjusted themselves to that state of things which is likely to become again the permanent condition of society.

The present depression of the corn-market is, in the opinion of the Committee, the result not of the large importations of corn in 1817 and 1818, but of an abundant growth at home. The harvest of 1819 was in England an average crop, and in Ireland somewhat more, while that of 1820 appears to have exceeded an average crop in both countries. The supply of wheat has, doubtless, been much extended in the present age, particularly in Ireland, since the act of 1806 so judiciously permitted a free import of corn of every description from that country to Great Britain. The import from Ireland in the thirty-two years between 1773 and 1806 was only 7,534,000 quarters; but in the fifteen years from 1806 to 1821 it was 12,304,000 quarters.

Historical View of our Corn Laws.—On taking this retrospect, we discover traces of the interference of government from a very early age. We find in the 16th century, before the introduction of our poor-laws, statutes prohibiting the conversion of arable into pasture land, and restricting the number of sheep and live stock. These statutes were apparently suggested by a solicitude to find employment for the lower orders, and to relieve their misery by increased tillage. In the 17th century we perceive a similar interference in a less harsh form; and the æra of the Revolution is well known as the commencement of a system for the direct increase of growth by the grant of a bounty on export. That effect it certainly produced; for between 1697 and 1773 the amount of corn exported above our imports was 30,968,000 quarters; and the amount of bounty paid out of the public revenue was 6,237,000.

The necessity of import experienced in the early part of the reign of George III. led to a new view of the corn trade, to the limitation of the bounty on export, and to the admission of foreign corn at a small duty, whenever our own exceeded a specified price. In the competition thus permitted between the British and the foreign grower, what advantage was given to the former? During the twenty years from 1773 to 1793, the British grower had scarcely any protection above the foreigner except the charge of freight, and a duty never heavy and frequently little more than nominal. From 1793 to 1814, that protection re-

ceived an increase: but the virtual encouragement, that which had a real and extensive operation, was the high rate of charge incident to imports in the late war, particularly in the latter years of it. The corn-law was in general inoperative: yet no period was more marked with improvements in agriculture, and none offered more substantial reasons for submitting to parliament the expediency of an import of foreign corn, without any burden except that of such a fixed duty as might compensate to the British grower the indirect encouragement given to him during the war by the high freight and other charges.

Compare the period of 1713—1756 with that of 1773—1814, recollecting that the former was a term chiefly of peace, and the latter chiefly of war; that during the former the market-interest of money was generally below, and during the latter frequently above the rate fixed by law; and farther that in the one the legislature granted a bounty on the export of corn, while during the other agriculture had no such stimulant. It will then be found that in the early period our agriculture was comparatively stagnant, but in the latter in a state of rapid extension and improvement. Ought it not to be inferred that there was nothing in the bounty-system that necessarily promoted agriculture,—nothing in the comparative abstinence from interference that was incompatible with its prosperity? If, before 1773, the quantity of wheat raised in Great Britain was only 4,000,000 of quarters, and if at present it is more than double; if since that time the number of cattle and sheep has been vastly augmented, and their breeds improved; if scientific drainages have been effected, and extensive wastes inclosed; it can surely not be said that there has been a want of encouragement to invest capital in agriculture. The farther improvements made within the same period; the canals, the roads, the bridges, the harbours, and the docks that have been either formed or improved, not by the public revenue but by the capital of individuals: the unexampled extension of manufactures and trade; the augmentation of internal wealth, which defies all comparison with any former portion of our history or of the history of any other state;—all this makes the Committee incline to the opinion that the only solid foundation of agricultural prosperity is laid in abstaining as much as possible from interfering, either by protection or prohibition, with any branch of industry. Can commerce expand, manufactures thrive, and great public works be undertaken, without affording increased means of paying for the production of the land? Must not the principal part of those productions,

which contribute to the gratification of the wants and desires of the community at large, be drawn from our own soil,—the demand increasing with the population, the population with the wealth of the state;—and does not a great part of the capital employed in supporting our manufactures, trade, and public works, pass, by a very rapid course, into the hands of the occupier of the soil? Has not agriculture languished formerly in our own country, and at present in other naturally fertile regions, from the want of such a stimulus;—and in these countries are not the proprietors of land poor, and the people wretched, in proportion as the labour of the population is exclusively confined to the cultivation of the soil?

It will be for parliament to appreciate this view of the subject, and in its measures to reconcile it with the considerations which forbid, on the one hand, that we should render ourselves too dependent for subsistence on foreign supply; or on the other that we should create by artificial means too great a difference between the cost of subsistence in this and in other countries:—a difference which might have the effect of driving capital abroad, and of leaving our unpaid population to be maintained by the landed interest with diminished resources.

Disadvantages of the Corn-Law of 1815.—The principle of this law is to exclude foreign corn in seasons of abundance, and to give every facility to its introduction in years of scarcity. Adapted as it appears to such a purpose, its practical operation will often be found at variance with its object: aggravating at one time the evils of scarcity, at another increasing the depression of price arising from abundance. Its enforcement prompts the grower to extension of home-cultivation, by the hope of a monopoly price; while its occasional interruption may deprive him of it when most wanted. To the consumer it holds out the prospect of a trade occasionally free, but so irregular as to baffle calculation, and to involve the dealer in more than the ordinary risks of mercantile speculation. At one time it exposes our market to be occasionally over-loaded with foreign corn: at another, in the event of a considerable deficiency in our own harvest, it creates a competition on the Continent, by the effect of which prices are rapidly raised against us.

If on the expiration of the summer quarter, (15th August,) our average price of wheat was 79*s.* 11*d.*, our ports, under the present law would remain shut till 15th November: but if that average were 80*s.* 1*d.*, whatever were the prospect of

an abundant harvest, the import would be open during six weeks or three months. In the former case, the prices might rise very high before we received any considerable supply: in the latter, a rapid import might reduce them to a level to which they would otherwise not sink. This was strikingly exemplified with regard to the import of oats in the autumn of 1820, when, on the opening of our ports, a rise of from 30 to 50 per cent. occurred in several continental markets, the shortness of the time allowed for import causing the shipments to be made in great haste. In England, prices fell, but not in time to stop these imprudent adventurers; and a great loss was sustained both by the continental shipper and by the British farmer. Yet the amount of this import, (about 727,000 quarters,) was not a thirtieth of the annual consumption of oats in Great Britain.

Examples of extreme Fluctuation.—The degree of fluctuation in our market under the act of 1815 has been great almost beyond example. Between January, 1816, and June, 1817, the price of wheat varied from 53*s.* to 112*s.*; while in the three months which ensued from June to September, 1817, it varied farther from 112*s.* to 74*s.*

How far has this system in its favour the sanction of long usage? Its present form dates only from 1815, previously to which our corn-law knew, on the one hand, no absolute prohibition; on the other, no import without the payment of some duty, great or small. The provisions of the act of 1804 were that, when the average-price of our wheat should be between 63*s.* and 66*s.*, foreign wheat might be imported on a duty of 2*s.* 6*d.* per quarter; and when our currency rose to 66*s.* or upwards, that duty was reduced to 6*d.* per quarter. When our average was under 63*s.* the import was subject not to absolute prohibition, but to the high duty of 24*s.* 3*d.*; which, however, generally operated as a prohibition.

Uncertainty of the Price of Corn.—What are, on a series of years, the comparative chances of deficient crops in this country and on the Continent? They are probably greater in this country, since, from our less extensive territory and less varied climate, the effect of unfavourable weather in one district is not likely to be balanced by an opposite effect in another. The climate of Ireland being more variable than that of England, the hazard of deficiency would be augmented if our dependence on Ireland increased. A similar result would probably follow by extending the cultivation of our poorer soils, which are more likely to be affected by ungenial seasons.

No article experiences so great a change of price as corn, in proportion to any excess or deficiency in the supply. Mr. Tooke, a witness particularly examined on this point, explained this fact as follows: A fall in the price of any commodity, not of general necessity, brings the article within the reach of the consumption of a great number of individuals; whereas, in the case of corn, the average-quantity being sufficient for the supply of every individual, all beyond such average-quantity operates to depress the market. The consumption of corn is doubtless, greater when it is cheap than when it is dear, but in a small proportion to the surplus arising from one or two abundant seasons; understanding by an abundant season not one in which a deficiency of one kind of corn is made good by the surplus of another, but in which the leading articles of consumption are simultaneously abundant. Our growth is probably equal on an average to our consumption; and as long as the British grower retains the exclusive supply, the fluctuation of our prices must range between 80*s.* as a *maximum*, and as a *minimum* the lowest price to which one or more abundant harvests may bring our corn, until it finds a vent in exportation, or is raised at home by the occurrence of an unfavourable season.

Reasoning from the past, what prospect appears of a rise of prices from the recurrence of an unfavourable season? Dr. Smith, and Mr. Burke in his "Thoughts and Details on Scarcity," agree in an opinion, founded apparently on long observation, that favourable or unfavourable seasons occur not at short intervals, but at rather long cycles, and irregularly. If that opinion be well-founded, the Committee need not add how hazardous must be the situation of the grower of corn, in a country in which the lowest price accounted necessary to afford him a remuneration considerably exceeds the prices of the rest of the world.

Remunerating Price.—The estimate of a remunerating price appears to be subject to much misconception, for that which was deemed such in 1815 may be more or less than a remuneration in 1821, under a very different state of things. On the one hand, the sum of 80*s.* may now represent a considerably greater value; while, on the other, if the necessity of increased supply requires a resort to inferior land, it may have become eligible to plough up tracts which in 1815 would not have paid for cultivating. If the necessity of indemnifying the cultivator of the inferior soils should lead to our raising the import-limit above 80*s.* per

quarter, an undue profit would accrue to the owner or occupiers of the superior soils whose charges would not have been increased. It would thus appear necessary to advance, from time to time, our import-limit, though the charges of raising corn on good soils should remain the same; and if, in other countries, prices did not undergo a corresponding rise, the result of every such advance must be to expose us to greater and more grievous fluctuation.

The scarcities of the present age have furnished us in some degree with a knowledge of the amount of aid that can be afforded by the surplus-produce of the Continent. Any rise in our present import-limit would discourage the extension of that supply: — it would tend to aggravate the fluctuation, and other inconveniences, which appear connected with the principle of alternate monopoly and free import.

A Protecting Duty. — Our past experience is decidedly in favour of a repeal of our present law, and of laying open our trade in corn with all nations; subject only to such a duty as might compensate to the British grower the loss of the encouragement arising from the high freight and other import-charges during the last war. Such duty ought to be calculated on the difference of expence between this country and those from which our principal supplies have usually been drawn, taking into account the freight and other import-charges. The Committee are, however, fully aware of the unfitness of such a change at this moment, when a great accumulation has taken place in our warehouses as well as in the shipping-ports of the Continent. The present price is too low to represent the cost of corn, even to the foreign grower: it is the result of a general glut, and of an extreme distress on the part of those by whom it has been raised, or by whom it is held.

Is it not practicable, however, to modify the operation of our corn-law, so as to prevent, on the opening of our ports, the introduction of foreign corn in a sudden and irregular manner? This, in the opinion of the Committee, might be attained by imposing a fixed duty on the import of foreign corn; accompanying, however, this duty with a reduction of the present limit, that the price might not be raised beyond what it might reach under the existing law: an effect which the Committee are very desirous of avoiding. When corn shall have reached some given high price, the duty should cease altogether.

The Rate of such Duty. — What, it may be asked, ought to be the new import-limit at which corn might be admitted, subject to duty? This the Committee do not profess to de-

termine: but it evidently ought to be such as not to place the occupier of our inferior soils in a worse situation than at present. Without inquiring how far the cultivation of these inferior lands may have been expedient, the Committee can have no difficulty in stating that capital already vested should be protected against revulsion: but farther the protection ought not to go; since the growth of our population and the accumulation of our internal wealth will continue to give, as they have given during the last sixty years, the most effectual encouragement to agriculture. Nothing is to be dreaded, as long as our institutions afford security to capital and industry; — as long as capital and good faith keep pace with that security, and we avoid any course which might drive capital to seek a more profitable employment in foreign states.

The principles of the freedom of trade are now almost universally acknowledged to be politic as well as liberal: but, while it is the duty of parliament to revert to these principles as far as they are practicable, in the corn-trade as in other branches, it is also incumbent on it to spare vested interests, and to deal tenderly even with obstacles to improvement when created by the long existence of an artificial system. In all their suggestions, the Committee are desirous to secure the country from a dependence on other states for subsistence; and still more to preserve to the landed interest the weight and ascendancy which it has enjoyed so long, and used so beneficially.

Effect of Taxation on Agriculture. — A comparison of the amount of our taxation with that of other countries, as they stood in 1792 and as they now stand, might, if confined to an arithmetical statement, lead to an unfair estimate of the increase that has taken place in the interval. Considering public burdens with reference to population, England is the most taxed portion of Europe, excepting perhaps Holland: but, measuring them by the aggregate of national capital, or of national income, the proportion of the taxes to the income or capital of each individual is perhaps smaller in England than in several states of the Continent, or even in Ireland. Such proportion, also, is not perhaps materially greater now than at former periods, when our national capital, our population, and our public revenue, were all far below their present amount. However this may be, it is not less the duty of government to aid individual accumulation by diminishing our expenditure, since the weight of taxation must be more severely felt in proportion as the money-income derived from agriculture, trade, and manu-

factures, shall undergo a diminution. This has been the case of late years: the pressure of taxation has been increased in proportion to the rise of our currency; and no exertion should be spared to reduce that pressure, as nearly as possible, in the degree in which it has been augmented.

All taxes tend, in the opinion of the Committee, to abridge the resources and comforts of those by whom they are ultimately paid: but no grounds seem to exist for believing that the profits of farming are more affected by taxation than those of trade or manufacture. Were such the case, it must obviously be temporary, since capital would be changed from one mode of employment to another, until the proper level were restored. In some of the petitions referred to the Committee, the parties have gone so far as to allege that, to remunerate the grower, the price of corn ought to increase in the same ratio as the public revenue. Without denying that the cost of raising corn may be in some degree affected by an addition to our taxes, and that any increase of the charges more particularly paid by the farmer, (such as tithe and poor-rate,) must tend more directly to augment that expence, it is obvious that the price of corn in every country is regulated "by the cost of tillage on inferior soils." Thus no direct connection subsists between the expenditure of the farmer and the amount of taxation. The latter might be increased and the price of corn might fall in a country, if the quantity required could be raised on the same soils at a reduced expence, in consequence of improvements in husbandry. In the three wars of the last century, begun respectively in 1740, 1756, and 1775, no rise appears to have taken place in corn: in the last, prices were even somewhat lower than in the preceding peace; though there never was a period when the burden of taxation seemed to press more heavily on our resources, or gave greater reason to apprehend that a part of that burden was paid not from our income but from our capital. During the late wars, on the contrary, great as was the increase of our taxation, the number of extensive undertakings begun and completed by individuals afford a proof that the increase of the capital of the country must have been progressive and considerable.

Proposed Duty of 40*s. on Foreign Wheat.* — A fixed duty to so great an amount as 40*s.* could be considered in no other light than as a prohibition; for, during the enforcement in former years of the duty of 24*s.* 3*d.*, no importation took place to any extent. Heavy duties on the smaller articles of agricultural produce are all open to the same ob-

jection: they would go far towards the total annihilation of commercial intercourse, and would probably never have been proposed to parliament, had not a very exaggerated notion existed of what is deemed protection to our manufactures. One witness, to illustrate his argument, furnished a table of the high custom-duties payable on foreign manufacture; without adding that, in most of these, (for instance, in the article of glass,) the custom duty is intended to countervail the excise-duty paid on British manufactures of the same kind. In fact, it may well be doubted whether any of our principal manufactures, except silk, derive benefit from the enactments in the statute-book: — if we can afford to under-sell foreign manufactures of cotton, hardware, and even of woollen, in foreign markets, how could they successfully compete with us in our own?

Warehousing of Foreign Corn. — Several of the petitioners have called for a repeal of that clause in the act of 1815, which allows foreign corn to be lodged in our warehouses at any time, whether it can then be taken out for home-consumption or not. In support of their plea, they urge two arguments: first that foreign corn thus absorbs capital which would otherwise be employed in purchasing corn of British growth; and, secondly, that the notoriety of a quantity of foreign wheat being deposited in our warehouses tends to keep the market in a depressed state, from a dread of its being poured in for sale as soon as prices rise above 80*s*. Of these arguments, the former evidently is erroneous; since no fixed amount of capital is appropriated to the trade in foreign corn, nor does the value of all the foreign corn at present in this country exceed 1,000,000*l*. sterling.

As to the second objection, it is unquestionably true that the present accumulation of foreign corn would have a considerable influence over prices here, on its being admitted to sale in the event of a deficient harvest: but would not that influence be nearly or altogether the same, if the accumulation took place in the ports of Holland, Flanders, or other parts of the Continent, several of which are as convenient as our own for access to the Thames. Besides, the warehousing of foreign corn in England gives us some degree of independence in the supply of our wants; lessening, in a season of scarcity, the power of foreign states to impose a duty or a prohibition on exports to this country: a measure by no means unlikely, since a large demand from England creates an increase of price, frequently injurious and always unpopular, in the country from which it is supplied. During the memorable scarcity of 1800 and 1801,

the Prussian government imposed a tax of 10*s.* per quarter on corn exported; declaring expressly that its continuance or removal should depend on the continuance or cessation of our wants.

Conclusion. — It would have been highly satisfactory to the Committee to terminate their labours by pointing out some immediate measure of alleviation; and, could such an expedient have been suggested, they would not have been restrained from adopting it though it formed a temporary departure from sound principles of general policy. When, however, after an anxious inquiry, they are unable to discover any means of immediate relief, they know too well their duty to the House, and respect too much the manly character of the agriculturists, to recommend any mode of relief pointed out by the suffering parties, if it appear to be founded in delusion. As far as the present low prices are the result of abundance of home-growth, no legislative provision can raise the market: as far as they proceed from the increased value of money, they are not peculiar to the farmer, but common to him with many other classes. In his case, however, the effect of the latter cause has been aggravated by its coincidence with an over-stock of supply; and by the comparative slowness with which charges, particularly the rate of labour, accommodate themselves to a change in the value of money. A rise in such value bears hard on a tenant farming with a borrowed capital, and under the engagements of a lease; as also on the land-owner whose estate is incumbered with mortgages, or other fixed payments. Relief, the Committee hope, will ere long be found in a partial reduction of the rate of interest of money, now that public loans have ceased; that accumulations of capital in the hands of individuals are probable; and that the sinking fund bids fair to have a steady operation on our public debt. Such an alleviation has been produced in former intervals of peace; and if at present the want of it has become more urgent, the salutary result will, it is to be hoped, be more speedily effected. The Committee look to it with the more anxiety, because, amid all the injury and injustice which an unsettled currency (an evil, they trust, never again to be incurred) has in succession cast on the different ranks of society, the share of that evil which has now fallen on the landed interest admits of no other relief. Our difficulties, great as they unfortunately are, must diminish in proportion as contracts, prices, and labour, adjust themselves to the present value of money: a change which is now in progress; and which, the Committee are satisfied,

will continue until the restoration of that balance which shall afford to labour its due remuneration, to capital its fair return.

Such is the Report of the Agricultural Committee, in our abstract of which, if we have found it occasionally necessary to transpose the arrangement of the arguments, we have made it a rule to adhere strictly to the sense, and, as much as we could, to the words of the original. The principal inferences from it are:

That the bounty-system, whatever might be its early operation, had the effect of keeping agriculture in a torpid state for the half century previous to 1773:

That the high import-limit established since 1815 has tended to excess of home-growth; and

That the prosperity of our agriculture is to be sought in that comparative exemption from interference which prevailed from 1773 to 1814.

The advice of the Committee is to return, by cautious steps, to this unrestricted state of intercourse; reducing our import limit; and substituting a duty of such an amount as may afford protection to the present cultivators of our inferior soils, but holding out no encouragement for the farther appropriation of these ungrateful occupancies. After this return to sound principle, the Committee hope that our increasing population, and the general improvement of circumstances attendant on confirmed peace, will relieve the distress of our agriculturists: but they anticipate no permanent aid from such measures as the imposition of the proposed high duty (40s. per quarter) on foreign wheat, or from a restriction on the warehousing of foreign corn in our sea-ports. The former would lead to an excess of home-growth; and the latter would merely transfer the deposits of the corn-merchants from our warehouses to those of Holland, Flanders, and other parts of the Continent which are convenient for shipping it to London.

To the general spirit of the doctrines of the Report we subscribe, in common with all who acknowledge the principles of free trade, and who lament that our legislature has deviated from them so materially in the case of our corn-laws. The manner of expressing an opinion is a consideration of great nicety in an official report; in which, far different from the unauthorized publication of an individual, confidence of tone may lead to serious results. In the present case, it was of great importance to avoid all assertions which might be construed into interference be-

tween landlord and tenant; into a discouragement of the continuance of tillage at its present extent; or, finally, into a protection of the consumer at the expence of the agriculturist. Against all this the Committee have carefully guarded; enjoining nothing with respect to a point so delicate as the adjustment of wages or rent to the reduced price of corn, but leaving the change to the natural course of circumstances. In like manner, with regard to our import-limit for foreign corn, while a modification of its amount and the introduction of a fixed duty are suggested, we meet with no confident calculation or authoritative prescription as to the rate of either. In sh[illegible], the Report is calculated to awaken the landed interest to the folly of the present system; and to the injurious tendency of those interferences, to which, formerly in the shape of bounty, and lately in that of discouragement to import, they have clung; — less, we believe, from selfish calculation than from a credulous acceptance of the professions of ministers; who, in a former as in the present age, perfectly knew how to gild the pill of taxation, and to persuade both agriculturist and manufacturer to submit to a sacrifice by holding forth an ostensible equivalent.

If, on the whole, however, we think thus favourably of the Report of the Agricultural Committee, we are by no means blind to its defects; — to the omission of several topics, and to the imperfect illustration of others.

We have already noticed in the text (p. 155.) the omission by the Committee of the grand argument, that the cost of raising corn has a tendency to fall with the fall of the market; and we have mentioned (p. 146.) our dissent from the opinion of the Committee, that increase of population augmented the difficulty of providing subsistence. In fact the chief defect of the Report arises from the belief that the cultivation of an additional surface becomes necessary in proportion to the increase of our numbers. So much do the Committee appear to have taken this for granted, that they addressed very few questions to the witnesses on the practicability of augmenting the produce of cultivated land by additional labour: nor do they appear to have remarked how insignificant have been our inclosures since the peace in comparison with the increase of our growth. We, on the other hand, account the effect of labour in augmenting produce so great, the connexion between the hands which raise and the mouths which consume, so direct, that in an attempt to calculate the relative productiveness of different countries, we should be guided chiefly by the returns of

population. Almost every part of Europe raises subsistence enough for its inhabitants, with the exception of the maritime tracts of the Dutch provinces, or rather of the single province of Holland, which happens to have both an unusually large population, and a soil less adapted to tillage than pasture.

The Committee have allowed this theory to influence their reasoning in several material points, such as (p. 10.) the question of a remunerating price; the extent (p. 11.) of our probable suffering after a deficient harvest; the argument (p. 24.) against a high protecting duty. It may, in short, be said, that the effect of this impression is almost as perceptible in their labours as was in those of the Bullion Committee the notion that the Bank possessed the power of keeping an undue quantity of paper in circulation.—These drawbacks on the merit of the Report are neither few nor inconsiderable: they do not, however, prevent us from ranking it among the most important and instructive documents of the kind that have appeared for many years.

Our late Corn-Law.—The Committee have very justly stigmatised the corn-law of 1815 as adverse to the connexion which it is our interest to keep up with the Continent, for the purpose of meeting our occasional deficiencies. Far from inducing our capitalists to purchase foreign corn, when it was cheap and abundant, that law discouraged all intercourse with our neighbours, except in years which, in consequence of the similarity of latitude and climate, were likely to be seasons of dearth with them as with us. The foreigner was thus prevented from buying our manufactures, at least from reckoning with any confidence on his means of payment. Hence the advantage of the Act of the present year, which, imperfect as it is, opens a prospect of eventual intercourse with our neighbours, and of lessening the extremes of rise and fall in our market.

Corn-Law of the present Session, ordered to be printed, 20th June, 1822.

Abstract.—The Corn-Law of 1815 permitted import free of duty, whenever our own corn, as returned by the averages, was at or above

	Per Quarter.		Per Quarter.
Wheat - - -	80*s.*	Barley - - -	40*s.*
Rye, Pease, and Beans,	53*s.*	Oats - - -	26*s.*

When our currency was below these prices, the import was prohibited.

The present act repeals that of 1815, and permits the import for home consumption of foreign corn, whenever our own corn shall be at or above

Wheat - - -	70*s.*	Barley - - -	35*s.*
Rye, Pease, and Beans	46*s.*	Oats - - -	25*s.*

subject to certain duties, the amount of which is regulated not by these prices, but by the following table:

SCHEDULE (A.)

Foreign Corn.	Wheat.	Rye, Pease, and Beans.	Barley, Bear or Bigg	Oats.
If the average of British Corn be under, per Quarter - -	80*s.* - -	53*s.* - -	40*s.* - -	28*s.*
High Duty - -	- 12*s.*	- - 8*s.*	- - 6*s.*	- - 4*s.*
If at or above, per Quarter - - -	80*s.* - -	53*s.* - -	40*s.* - -	28*s.*
But under, - do. -	85*s.* - -	56*s.* - -	42*s.* 6*d.* -	30*s.*
First Low Duty -	- - 5*s.*	- 3*s.* 6*d.*	- 2*s.* 6*d.*	- - 2*s.*
If at or above, per Quarter - - -	85*s.* - -	55*s.* - -	42*s.* 6*d.* -	30*s.*
Second Low Duty -	- - 1*s.*	- - 8*d.*	- - 6*d.*	- - 4*d.*

Colonial Corn. — Corn from Quebec, or our other North American colonies, is admitted to consumption in this country whenever our own averages are at or above

Wheat - - -	59*s.*	Barley - - -	30*s.*
Rye, Pease, and Beans	39*s.*	Oats - - -	20*s.*

At the following duties:

SCHEDULE (B.)

	Wheat.	Rye, Pease, and Beans.	Barley, Bear or Bigg	Oats.
If British corn be under, per Quarter - -	67*s.* - -	44*s.* - -	33*s.* - -	22*s.* 6*d.*
High Duty - -	- - 12*s.*	- - 8*s.*	- - 6*s.*	- - 4*s.*
If at or above, per Quarter - - -	67*s.* - -	44*s.* - -	33*s.* - -	22*s.* 6*d.*
But under, per Quarter	71*s.* - -	46*s.* - -	35*s.* 6*d.* -	24*s.*
First Low Duty -	- - 5*s.*	- 3*s.* 6*d.*	- 2*s.* 6*d.*	- - 2*s.*
If at or above, per Quarter - - -	71*s.* - -	46*s.* - -	35*s.* - -	24*s.*
Second Low Duty -	- - 1*s.*	- - 8*d.*	- - 8*d.*	- - 4*d.*

Additional Duty for the first three Months after Admission to sale for Home Consumption. — To prevent an abrupt import, or lowering of the market, it has been judged adviseable to impose by the present act an additional duty on

Wheat - - -	5*s.* 0*d.*	Barley - - -	2*s.* 6*d.*
Rye, Pease, and Beans	3*s.* 6*d.*	Oats - - -	2*s.* 0*d.*

On all corn, colonial as well as foreign, payable *in addition* to those in the Schedules, during the first three months of admission to home consumption, whether the corn be taken from the warehouse or from on board of ship.

Corn in Warehouse. — Foreign or colonial corn at present in warehouse may be taken out and sold for home consumption, as soon as our averages shall be at or above the preceding rates respectively, of 70*s.* for foreign, 59*s.* for colonial wheat, &c., but subject to the highest duty in the Schedules A. and B. And

Corn at present in warehouse may be admitted to home consumption in conformity with the Act of 1815, that is free of duty, whenever our averages rise to the rates fixed in that Act, viz.

Wheat - - -	80*s.*	Barley - - -	40*s.*
Rye, Pease, and Beans	53*s.*	Oats - - -	26*s.*

Flour, whether of wheat or oats, is subject to duties proportioned to the above-mentioned duties on grain. In this respect also our North American colonies have a preference, which to them is a point of considerable importance, since the shipments on the opposite shore of the Atlantic take place more frequently in the shape of flour than of grain.

Flour made from wheat,

	Per cwt.		Per cwt.
The high duty -	3*s.* 3*d.*	Additional during the first three months	1*s.* 7*d.*
First low duty -	1*s.* 7*d.*	Second low duty	0*s.* 4*d.*

Oatmeal per boll:

High duty - -	4*s.* 10*d.*	Additional for first three months -	2*s.* 2*d.*
First low duty - -	2*s.* 2*d.*	Second low duty	0*s.* 6*d.*

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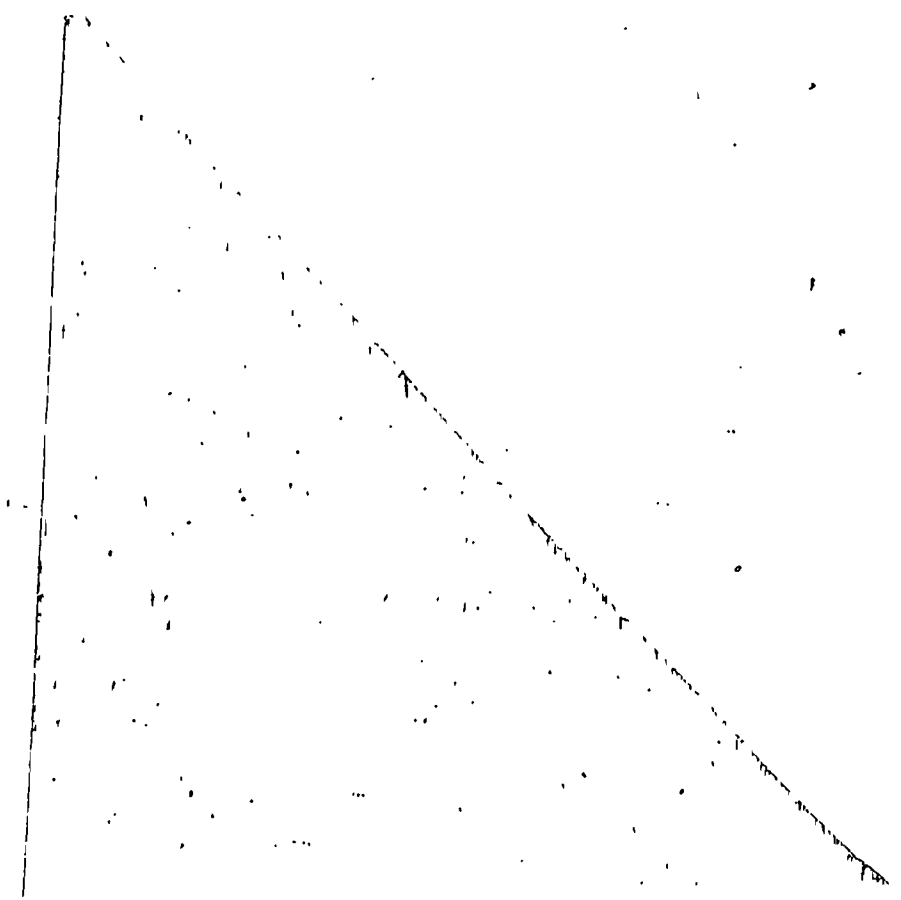

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